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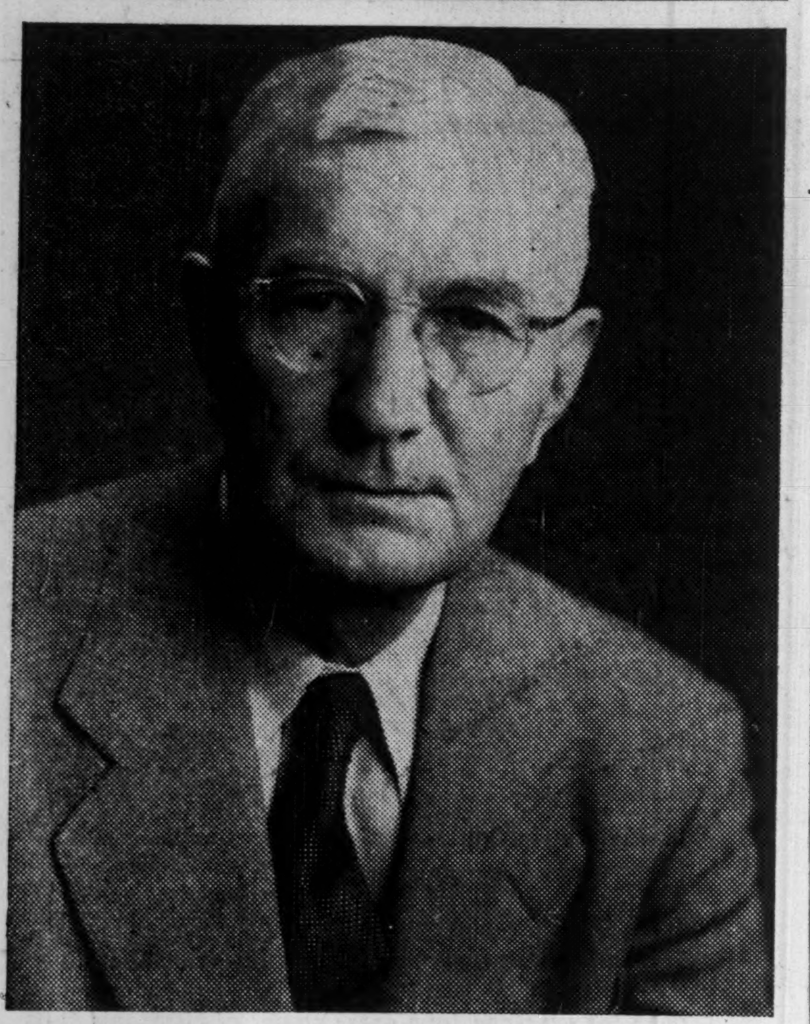
Farm Director



Dr. Edward S. Hopkins is the new Director of Canada's Experimental Farm Service with headquarters at Ottawa. Born in Lindsay, Ont., 1890, he's a specialist in soil and soil conservation. He joined the Farm Service in 1920; has been associate director since 1938. The Service, which includes 53 farms and stations, covering 27,000 acres plus 30,000 acres of ranchland, directs all agricultural field experimentation and laboratory research.

THE NATION'S BUSINESS

Should We Build Seaway Ourselves?

It is time that Canadians took a new look at the St. Lawrence power and seaway development.

As reported in this issue, the seaway is no longer in the "billion-dollar-white-elephant class." It is daily becoming a project of highest priority to the industrial development of North America and especially of Canada. Power, iron ore and defense considerations are all key factors in this urgency.

As reported by Kenneth Wilson, The Post's Ottawa editor:

"In the Canadian view, the need for strengthening North American defenses since June 27, makes the seaway even more important and urgent. If legal and political obstacles could be removed, the Government would clear the way for construction and development as quickly as possible in the hope that it would be well under way in the event of a third world war. If a third world war were to break out in the near future, this resolve might have to be altered. But the present idea at Ottawa is to look at the St. Lawrence as something to be got ahead with as quickly as possible, in the belief that come war or peace, it is 'a project of the highest priority in the industrial development of the Dominion.' "

So urgent does Ottawa consider the seaway, that plans are now actively under way to construct a purely Canadian ship channel in the event that Congress fails to approve a joint undertaking next year. The all-Canadian route is regarded as feasible and economic. It would give us control over the route; permit us to charge our own tolls.

What Would It Cost?

This all-Canada project would cost more than a joint development. The entire cost of an all-Canada 27-ft. ship channel, from Prescott to Montreal, is estimated to be in the neighborhood of $200 millions. (This, of course does not include the cost of power development works, which it is proposed would be charged directly to the users of that power.)

But this is held by many at Ottawa to be a figure well within our means measured against the benefits, they say, it would bring to all Canadians. It seems modest in relation to the $130 millions we spent 25 years ago to build the Welland ship canal which is an integral part of any seaway project and was constructed with a view of the over-all seaway in mind.

A seaway development would provide Ontario, New York and Quebec with close to 3.5 billion horsepower of the cheapest and most accessible electric energy in the world. The cost to each of these great industrial areas would be of some $200 millions each. This would be one half to one third of what they would pay for steam power. Only Quebec has other hydro-electric sources which it can tap for immediate future development. New York and Ontario are both in urgent need of new sources of electric power and may be gravely short by the time the first from the new St. Lawrence project could be made available.

Certain American interests have been able to delay this project repeatedly in the past. War dangers give the seaway particular importance. So does the immense lift it would give to the development of our natural resources. In any event, it appears to be something that won't be delayed very much longer.

• • •

Easy with the Strait Jacket

In its approach toward mobilization of our industrial resources, Ottawa is reported as still favoring moderation and caution. The latest word from Washington, too, indicates much less inclination, than a few weeks ago, for rushing into drastic regimentation, though most of the necessary machinery for government control has now been set up.

Sober-minded citizens with memories of the last war still fresh will approve this realistic attitude. They will realize, of course, that Canadians are not altogether their own masters in this matter. To put it bluntly, we are too small and too close to the United States to be able to set our own gait, even if we wanted to. Broadly speaking whatever Uncle Sam decides to do in channeling production into defense, we have little choice but to follow. We can only hope, therefore, that sober counsel prevails at Washington as well as at Ottawa.

Putting our whole economy into a strait jacket, with manpower, supplies, prices and wages, and almost everything else rigidly controlled, is not a move to be undertaken lightly. As we discovered 10 years ago it means a revolutionary upset for the nation, socially and industrially, and it only worked reasonably satisfactorily because people were aroused by and actually engaged in a full-scale war. And, as we discovered five years later, once fastened on it takes a long time to get rid of the shackles of state control. Moreover as we also discovered after the war, control so far as prices are concerned, does not prevent increases, it merely postpones them.

The difficulties of a period such as this of twilight mobilization are truly immense. But until it's a decision of total effort for total war, let's go easy. To move too fast in this grim business can be just as grave as too late.

Ottawa Seeks to Avoid Stampede on Controls

Don't Want "Unworkable" Plan Even If U. S. Clamps on Controls — Don't Expect More Legislative Powers Before Parliament Meets

OTTAWA (Staff) — Canadian authorities refuse to be stampeded into premature action by U. S. "national emergency" measures. They are also determined to postpone or avoid over-all price and wage controls at the present time.

Here's a composite official view:

"They're premature at this stage. Our information is that they are not imminent, even in the United States for the next two or three months.

"We may not be able to hold out indefinitely if U. S. adopts this approach but we're determined to avoid controls which we believe are unnecessary and unworkable, even if we have to adopt measures which give the same result.

"Ultimate" Weapon

"We look on over-all price and wage controls as an 'ultimate economic weapon'; something to be held for a grave emergency. Timing is as important as the controls themselves. And we don't believe that the hour has yet struck.

"'Of course, political pressures within Canada, or pressures from U. S. and other international sources may change the picture. But we're not going to be stampeded into action, even if the Americans do move."

Much the same psychology exists in government circles concerning any action in Canada to parallel a possible declaration of "national emergency" by the U. S., or any move in that country toward "all-out" industrial mobilization.

"We're playing the thing by ear" admitted one top-flight Ottawa ojcial. "there's nothing easy, neat or automatic about what's being done. Nor can there be. None of our post war planning for another war foresaw the present tempo of defense mobilization. Much of what we're doing to expedite and ease diversion of supplies is a matter of executive power. There's no need yet for anything so drastic as the War Measures Act. Many of the situations are purely psychological. Others are a test of ingenuity to avoid drastic controls as far as humanly possible."

Strong Pressure

It is admitted that present U. S. pressures are strong in the field of industrial rationing and allocations of critical raw materials. It is also agreed that where our needs and supply sources intermesh, Canada will be required to "match the substance" if not "the detail" of whatever steps are taken across the border.

"Whether we had signed the Washington Declaration or not, it's almost inevitable that where we require scarce materials such as steel, or other defense supplies from the U. S., we must demonstrate that we aren't making a more wasteful use of our

(Continued on page 3, col. 5)

PRICES

Synthetic rubber price has been boosted by the U. S. Government—GR-S from 18.5c. a lb. to 24.5c, butyl from 18.5c to 20.75c. Ottawa authorities say no price increase is pending for crown-owned Polymer Corp.

Woolen rugs have had their third price advance this year, another 10% at factory level. Over the course of the year, retail prices have jumped as much as 50% in some lines. Big factor in rising prices is skyrocketing cost of carpet wool.

Beef advanced 2c a lb. at wholesale level during last two weeks but easier price tendency is expected between now and first of year.

Hides advanced another 1c at New York under very firm market conditions. The increase has not been reflected in Canada yet.

Peanuts have become scarcer since outbreak in Korea. Biggest suppliers of peanuts for peanut butter and baking market were China and India and both have cut off exports. This will result in greater import of higher priced peanuts from Virginia and Mexico, with resulting price increases.

Processed cheese increased 2c-3c a lb. following release of cheddar cheese from government price controls and consequent sharply higher prices.

Coal chemicals are rising in the U. S. Phenol, toluol, xylol, crude naphthalene, cresol, cresylic acid, and ammonium sulphate have all joined the upward price pattern. Ammonium sulphate is a major source of nitrogen in fertilizer mixtures for the agricultural trade.

Ottawa Queries Pension Figures Of Provinces

OTTAWA (Staff) — There is considerable scepticism here regarding provincial reaction to the Government's new $388 million pension program unveiled last week at the federal-provincial conference.

Much of the conference time was taken up discussing how much more money the provincial treasuries would have to pay out if they accepted the federal offer. This discussion ranged chiefly around two alleged extra costs:

1. Payment by the provinces of supplementary benefits to a much larger number of pensioners than is now the case.

2. Payment of medical benefits to a much larger number of pensioners.

It is admitted here that these points have important implications for some provinces. But it is believed the actual additional costs would be much smaller than was indicated by last week's discussion.

Presently, 42% of all persons aged 70 or more receive old age pensions. The present number of 282,000 is expected to rise to 674,000 by 1951 if the 70-and-over means test is abolished.

What About Bonus

Only three provinces now pay supplementary benefits. These are: B. C. $10; Alberta $10; Saskatchewan $2.50. These are monthly payments above the present general federal ceiling of $40.

But once old age pensions are being paid to everyone in these provinces—rich and poor with no discrimination as to means test—it is a question here whether any of these provinces will continue to pay a supplemental bonus. Or whether there will be any immediate rush to pay more than the new proposed $40 a month means test pension to those in the 65-69 age group.

Medical payments present a somewhat similar problem.

At present, B. C., Alberta, Saskatchewan, Nova Scotia and Ontario make some contribution to medical expenses of aged persons now receiving the means test pension.

But it is looked on here as highly doubtful if these provinces will at once extend similar free services to all their aged citizens—both millionaires and indigents.

Wait and See

There is no doubt the provinces made a strong point of the higher costs they expected to bear within

(Continued on page 3, col. 4)

Higher Sales Tax In Next Budget?

Increase From 8-10% in Federal Sales Tax Seen Behind Finance Minister's Statement on Rents at Federal-Provincial Conference

By KENNETH R. WILSON

OTTAWA (Staff) — Watch for higher federal sales taxes in the next Abbott Budget.

The tip-off was hidden in last week's Federal-Provincial conference.

Finance Minister Abbott explained to premiers that he was changing the basis for calculation of new rental agreements. The change involved a new definition of "Gross National Production." In future the basis is to be GNP at "factor cost" instead of the old basis of GNP at "market prices."

Behind this technical statistical jargon is this difference:—that the new basis excludes "all indirect taxes applied in the manufacture or sale of goods."

To illustrate this change, Mr. Abbott said: "The amount of the GNP would be considerably decreased if in any year the Federal Government were to repeal its sales taxes and substitute it with an increase in the income tax."

The more correct inference behind the change is not that the sales tax will be repealed, but that at the next budget it is very likely to be increased.

The present rate is 8%.

With sharply rising price levels, the actual amount of the tax has been diluted. Therefore it is likely that something of the order of a 10% tax would be considered completely justifiable for 1951.

There is one further reason why indirect taxes were excluded from the GNP calculation: that a number of provinces are now preparing to move into the sales-tax field themselves.

Already many provinces and some municipalities have sales taxes. But these are presently applied at the consumer level. This conforms to present legislative authority which precludes provincial governments from levying indirect taxes on its citizens.

What the provinces are now seeking from Ottawa is a constitutional amendment that would permit them to levy indirect taxes on the manufacture or sale of goods.

If this authority is granted (as requested by various provincial governments last week) it would clear the way for direct provincial or municipal levies on the retailer or distributor.

Inside News

All-Canadian Seaway?
If the United States still refuses to go for the St. Lawrence Seaway, should Canada start the tremendous project on her own? Is an all-Canadian seaway practical? An authoritative look at this important topic from all angles (p. 17).

Ten Best Stocks
Which 10 Canadian stocks are the best hold over the next three years? Three years ago, The Post put that question to stock exchange members. The time limit is up. How do their choices stack up? (p. 17).

Price Control Pressure
Canadian labor unions have finally found something they can all get together on—reimposition of price controls. One of the most ambitious pressure and lobbying campaigns in labor annals is about to get under way (p. 14).

It Isn't in the Bag!
An India-Pakistan dispute in the multimillion jute and burlap industry is having repercussions here: already there's a shortage of bags. A detailed report on an important commodity (p. 8).

Inventory Costs
What is the true meaning of the term "cost" in inventory valuation? Here's what the Dominion Association of Chartered Accountants says (p. 22).

National List Gives Full Data Of Advertisers

The new, revised 1951 edition of The National List presents in compact, easy-to-find form all the essential information on the 2,500 active national advertisers in Canada.

Cross-indexing of trade names simplifies identification of the manufacturer and his address; chief buying executives and titles are given under each company name. Also, The National List tells who is in charge of advertising, and agency and account executive handling the account.

In convenient size (258 pages, 4 ins. by 9 ins.) The National List can be obtained from Canadian Advertising, 481 University Ave., Toronto 2, Ont.; price $3 postpaid.

Attlee May Have Cleared Raw Material Bottleneck

OTTAWA (Staff) — Next to military matters, the most important item on the Attlee-Truman-St. Laurent agenda was raw materials.

Nothing has worried the British more in recent weeks than the confusions and contradictions in United States raw material policy. (The Financial Post, Dec. 2).

Canada is very intimately concerned, especially in non-ferrous metals. For the British, tin, sulphur, sulphuric acid, dissolving pulps, rubber, cotton lintners are all key items. Without them, British production could grind to a stop very quickly; might not get started again for many months.

The result of contradictory U. S. policy for Britain has usually been U. S. agencies grabbing at every available supply source with little regard to price, leaving to others only the residue after they met what they deemed to be their own defense and stockpile requirements

Washington Confusion

First and most important thing the British did at Washington was to bring together for the first time in one room under the chairmanship of President Truman, the various responsible U. S. agencies. This is considered an accomplishment of the highest order. In the British view, it is the essential starting point to bring some clarity out of Washington confusion.

Out of this meeting, seems to have come at least two important conclusions:

1. That henceforth, other partners must be cut in on essential raw materials along with U. S. defense and stockpile requirements; not after these requirements are met.

2. That the time has not yet arrived when new formal machinery for North Atlantic or even U. S.-U. K.-Canada control of raw materials is necessary.

All along, Canada has been in a better position than the U. K. because under the Washington Declaration we are treated as part of the U. S. We aren't subject to export allocations or curbs. For the future, it seems agreed that at least U. S.-U. K.-Canada will work informally to-

(Continued on page 3, col. 3)

Go Easy On Rubber Curbs Ottawa Policy

OTTAWA (Staff)—There won't be any increase in Canada's synthetic rubber prices—at least for the time being.

The Government argues that it is making a nice profit at 18½c lb.; sees no reason to increase the price—especially to its main, long-term customers. If any price changes were to come, they would probably affect only "fringe" buyers.

Canada's basic rubber problem is that we produce more synthetic rubber than the combined natural-synthetic needs of all Canadian industry. Our chief worry is to swap home-made synthetic in sufficient quantities to give us the crude we require.

Canadian authorities don't want to cut back use of natural rubber or to go in for controls.

But they admit their hand may be forced by the implications of the Washington Declaration—namely that when Canada has to work with U. S. authorities, we have to match end-use controls imposed in that country, even if the methods we employ are different.

This is one of many situations now under very close review at Ottawa.

Gas Turbine May Change Rail, Coal Firms' Outlook

Possible development of an efficient coal-burning gas turbine locomotive with all its implications for Canadian railways and particularly the domestic coal industry has moved one step further. An agreement has been signed between Dept. of Mines & Technical Services and McGill University to design, build and test co-operatively an experimental stationary engine based on a recent invention by Professor Donald Mordell, director of Gas Dynamics Laboratory at McGill.

The invention, a new heat exchange cycle, exhibited promising results in operation of coal-fired gas turbines during certain preliminary investigations and design work carried out over the past six months by Professor Mordell and the Mines Branch.

Keen interest in the project has been expressed by W. A. Newman, manager of Dept. of Research, Canadian Pacific Railway and S. W. Fairweather, vice-president Research & Development, Canadian National Railways. Development of such an engine would effect substantial operating economies for the railways through use of cheap fuel while maintaining a high thermal efficiency. Successful use of such a coal-fired gas turbine would not only forestall loss of the remaining railroad market for the coal industry but would result in the industry ultimately regaining much of the marketing ground already lost to dieselization, it is said. Gradual loss of the valuable railway market to diesel competition has seriously affected the economic position of the coal industry.

Provinces Have 2 Options For Tax Rental Agreement

OTTAWA (Staff) — Laid on the council table last week was the Federal Government's newest "bid" to streamline Canadian taxes until 1957.

Highlight of the new offer was a new "option," based on potential tax earnings of each province. The option represented the total of these four items:

1. Estimated 1948 revenue from personal income tax at 5% of federal tax.

2. Estimated 1948 revenue from an 8½% corporation profits tax.

3. Estimated average succession duty receipts. (Ont. and Que. averaged for three years 1946-49; other provinces, two years 1945-47.)

For nine provinces, it was estimated that had these taxes been levied at these rates, the total revenue obtained would have been $244.7 millions. Details are shown in an adjoining table. (Newfoundland was excluded from this calculation because of insufficient data to compile potential tax collection.)

This "potential" tax revenue is $62 millions less than the amounts which these provinces will receive if they accept the minimum guarantee contained in newest Ottawa offer.

As well as being offered a guaranteed minimum tax rental, based on estimated tax potential in each province, the Federal Government gave individual provinces a second "option." This option is the same minimum payment they were guaranteed in the original population and per capita gross national production between 1942 and 1948.

As calculated by federal statisticians, all provinces except Ontario would benefit by taking the latter option. It nets them more money than would the total of the various items contained in the tax potential calculations. For Ontario, the tax potential option turns out to be the most profitable by about $2.1 millions.

Here is the record of what is offered in the present agreements compared with the new proposed five-year plan. In each case, the

(Continued on page 2)

Buyers Shell Out For Xmas

From Toys to Toggery, Buying Ahead of '49

(By Post Staff Writers and Correspondents from Coast to Coast)

The Christmas stocking will be well filled this year, and it looks as if Santa will have a mighty big pack to carry.

A nation-wide survey by The Financial Post shows that seasonal shopping, after a slow start in November, has hit a brisk stride, will likely exceed last year's high level. Most areas report credit buying strong in spite of government consumer credit restrictions. Dollar volume of sales is expected to be better than that of 1949.

Some highlights from The Post survey:

"War scare" goods, like refrigerators and washing machines, are in great demand.

Luxury items, with a few local exceptions, are selling steadily, with a wide range of high quality imported numbers.

Imports from the United States have a strong price appeal, result of upward revaluation of Canada's dollar. Buyers find U. S. goods cheaper than heretofore.

Toys in good supply and moving rapidly. Plastic items are among the favorites.

Clothing articles find high priority in the shopper's budget.

The mild November weather in British Columbia and the eastern provinces delayed Christmas shopping. Cold weather on the prairies brought a rush on clothing but lack of snow hit some lines such as sporting goods.

Here is the city-by-city picture:

Victoria

Department store sales 10% to 20% above last year. Jewelry sales slightly up. Strong trend to refrigerators and other goods that were short during last war. Trend also to "practical" gifts rather than trifles. Installment buying on the increase.

Vancouver

Living costs and balmy weather (roses blooming) kept people from buying heavily in November and early December. Rush in smaller stores started second week this month. Department store sales have been running at highest advance in Canada. Credit buying, slow last month, picked up this month. Business good in men's wear, appliances, toys, jewelry, fur coats and other gift items. Influence of scare buying seen in appliance trade. Jewelers report shoppers' preference for high class goods.

Calgary

Retail sales outlook in Calgary better than ever. Sales expected to hit all time high in almost every type of goods. Items for wear are popular gift selections. Big influx of plastic toys on market. Sales brisk in $1 and $1.50 brackets. Luxury goods (sterling and crystal) in good demand. Radios and electrical goods up about 10%. Demand for major household appliances keeps pace with supply.

Edmonton

Outlook for Christmas business "phenomenal." Luxury goods going strong despite credit regulations. Cold November moved winter clothing. Sale of Christmas goods brisk "across the board" but buyers are shopping more carefully. No "pre-Christmas bargains" expected this year.

Regina

Poor crop returns coupled with credit controls have brought slight slump in retail sales, compared with 1949 pre-Christmas trade. Trend is to smaller, less expensive items. Sales volume slightly down in all types of merchandise. Credit buying down and payment of accounts slower. Imports from U. S., cheaper than last year, find favor.

Winnipeg

Outlook is for all time dollar sales record, in spite of flood losses and disappointing crops. Inventories are big—brought in during late summer. Shopping for bargains is noted. Trend from luxury buying to home furnishings and appliances, apparel. Mail

(Continued on page 3, col. 5)

$17.5 Billion Figure Forecast As Canada's '50 National Output

OTTAWA (Staff) — Newest estimate of Canada's gross national production in 1950 is $17.5 billions. This was disclosed officially last week to provincial premiers at the Federal-Provincial conference.

It is an increase of $500 millions over the mid-year estimate. It is a jump of $750 millions over the original estimate of $16¼ billions made by the Prime Minister last February.

This means a rise of 8.8% in G.N.P. over the final estimate of $16.1 billion for 1949.

Proportionately, this increase indicates national income for 1950 of $14.2 billions against $12.9 billions last year.

In his statement to the provincial premiers, Finance Minister Abbott also suggested that gross national production in 1951 would be $18 billions.

This figure is looked on in other informed quarters as being far too low. It is now believed that the actual figure next year will be substantially higher.

Pace of Business

Steel ingot production in October reached 285,655 tons, highest since March, 1950. Cumulative total at 2,736,841 tons up 6% from last year.

Cheques cashed in October at $9,391 millions were 13% over October, 1949. Cumulative total hit new record of $80,313 millions ($70,618 millions). October increases in all economic areas except prairies.

Margarine production in November reached 9.5 million lb. (7.2 millions November, 1949). Cumulative total at 87.5 million lb. up 34% from 1949.

Carloadings in week ended Dec. 2 totaled 81,434 up 3,751 from corresponding 1949 week. Both eastern and western traffic higher. Cumulative loadings down 1% from last year.

Electric energy output in October at 4,385 million kwh. was 10% over October, 1949, and exceeded only by all-time monthly high in May, 1950. Cumulative total of 41,686 million kwh. is 10% over last year, all areas sharing in rise.

Farm prices of agricultural products declined in October, index (1935-39:100) falling to 239.5 (247.3 in September; 248.8 in October, 1949). Index at lowest level since December, 1947 (226.7). Drop attributed to lower grain, livestock and potato prices.

Milk production in September at 1,531 million lb. was 4% lower than last year. Preliminary October figures indicate decline of 10%.

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ANNOUNCING

Important Appointments in Canadian Industry, Finance, Business and Government

Canadian Bank of Commerce — John A. McDougald, a director.

Canadian National Railways (Montreal)—A. R. Milne, European Commissioner of Colonization (London, Eng.).

Canadian Pacific Railway (Montreal)—James Muir (president Royal Bank of Canada); R. J. Dinning (president, Burns Co. Ltd., Calgary); H. E. Sellers (president, Federal Grain Ltd., Winnipeg) directors.

R. J. Coghlin Co. Ltd. (Montreal)—Blair Dal Russel, assistant to the president.

Consolidated Mining & Smelting Co. of Canada Ltd. (Trail, B.C.)—F. L. Hallam, E. G. Randall, assistant comptrollers; L. G. Toms, chief accountant.

Girvan Travel Service (Toronto)—Harry Beesley, travel consultant.

Household Finance Corp. of Canada (Toronto) — C. C. Berringer, manager, new branch at Dartmouth, N.S.; R. A. Roy, manager, new branch in Quebec City.

Montreal Stock Exchange — Roy W. Wilson, partner in Watt & Watt, Toronto, a member.

National Council of the Baking Industry (Ottawa) — Walter D. Heagle (Hamilton) chairman; Earl Jarvis (Toronto) vice-chairman; Harold Willis (Ottawa) honorary treasurer.

Bank of Nova Scotia (Halifax)—John L. McCarthy, C. Sydney Frost, (Toronto), C. N. Wilson (Saint John) and R. A. Joudfrey (Hantsport, N.S.) directors.

Personal Finance Co. of Canada (Toronto)—Leo R. Caron, manager, new Shawinigan Falls office.

Public Relations Society of America—William E. Austin (Ottawa), Canadian vice-president.

Robert Reford Co. (Montreal)—A. M. Dow, vice-president and a director.

Stevenson & Scott Ltd. (Montreal)—Ross N. Smith, in charge of new radio-television department; Peter R. Lighthall, production manager.

Union Insurance Society of Canton Group—J. W. Price, manager for Eastern Canada; N. J. Ross and A. Sunter, assistant managers for Eastern Canada; W. R. Brydon, manager for Western Canada, R. E. Horton, assistant manager for Western Canada; Colin E. Sword to be member, advisory board for Canada.

United Grain Growers Ltd. (Winnipeg)—P. C. Watt, assistant general manager.

Walker-Gooderham and Worts Ltd. (Windsor) — C. F. H. Carson (Toronto); Clifford Folger (Washington, D.C.) directors.

Weston Bakeries Ltd. (Toronto)—Frank A. Riddell, president.

Advertising

Eastern Canada Division of Alford R. Poyntz Advertising Ltd., now located in larger, more modern quarters at 4109 St. Catherine St. W., Westmount, Que., as move toward expansion of agency's facilities in Eastern Canada under F. M. Lalonde, managing director. New phone number: Glenview 4245-4246.

* * *

Tandy Advertising (Toronto) this week broke campaign in key dailies, coast to coast, for Crosley mantel radios, made by Brand & Millen Ltd., Long Branch. The 800-line announcement was first in series for winter and spring selling season. Point-of-sale material and trade paper advertising included in campaign.

* * *

Walsh Advertising (Toronto) for Dad's Cookies Ltd., Toronto, brings half-hour transcribed "Hardy Family" program to Toronto's CFRB for 26 weeks. Features original movie cast—Lewis Stone, Mickey Rooney and Fay Holden, with John Drainie as announcer.

TOWN OF GRIMSBY $20,000 issue 3½% debentures due 1951-60 sold to Canadian Bank of Commerce and J. L. Graham & Co. at 101.06. Proceeds for part payment of construction costs of new community centre to cost $65,000, balance of which being raised locally.

U. S. $ Value in Canada

Week Ended Dec. 8

Mon.	$1.04-14/32	Thur.	$1.04-27/32
Tues.	1.04-26/32	Fri.	1.04-28/32
Wed.	1.04-25/32	Wk's Av.	1.04-25/32

RELIANCE PRODUCTS

DIVIDEND NOTICE

Notice is hereby given that a regular half-yearly dividend at the rate of four and one-half per cent (4½%) per annum has been declared on the Cumulative Redeemable Preference Shares, for the half year ending December 31st, 1950, payable January 2nd, 1951, to shareholders of record at the close of business December 15th, 1950.

By Order of the Board, December 11th, 1950.

W. G. PERRY,
Secretary-Treasurer.

CLASSIFIED ADVERTISEMENTS

Classified ads cost 8c per word and figure for each insertion. Minimum charge $2.00. Add six words when box number is required. When replies are to be mailed to advertiser add 15c. Classified ads payable in advance. Contract rates on application.

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BRITISH RUBBER MANUFACTURER (established over 100 years) is desirous of commencing manufacture in Canada under patented process. Capital required approx. $50,000. Full details to principals only. Box No. 101, The Financial Post, 481 University Avenue, Toronto.

How Will Defense Hit Our Economy? Here's Way Ford President Sees It

What's ahead for Canada under a preparedness economy? What's likely to happen to our standard of living? In view of the current international crisis the views of Rhys M. Sale, president of Ford of Canada, expressed in Toronto to the Board of Directors of the National Sales Executives, take on new significance. Here is a digest of his speech:

By RHYS M. SALE

Much as we dislike the thought, we know now that some day all the peoples on earth who want peace and freedom must come to grips with Soviet Russia and her satellites.

I do not mean that I think a third world war is inevitable. Some miracle may prevent it. But we live under a very real and terrible threat and have no alternative but to arm ourselves, militarily, economically and socially, to meet the threat if and when it takes aggressive form.

The sheer weight of manpower is on the side of Russia and her allies. That advantage must be outweighed on our side by more and better weapons of offense and defense.

To build up a vast arsenal of munitions and supplies, the democratic nations will have to harness wealth, productive capacity, material resources and manpower on a scale greater than at the peak of World War II.

The defense budget of the United States this year is about $25 billions, may go to double that amount next year. Canada's spending so far has not been in proportion, but the preparedness cost in 1951 is expected to go above the billion dollar mark — a tremendous amount for a nation of this size.

Gigantic Effort

We in the business world, and all the people of the continent, must be awakened to the task which faces us and made fully aware of what this gigantic effort to mobilize military and industrial might will do to our economic life.

To save our skins and protect our homes, we must be prepared to make sacrifices. These sacrifices may take the form of a gradual lowering of our standard of living, and we cannot expect a strong upward turn until the menace of Soviet Russia has been muzzled effectively and for all time.

The maintenance and improvement of our standard of living depends upon production. The more we produce of the things that go for human progress and comfort, the higher our standard of living will rise. When we curtail this production, living standards level off and descend.

Production of tanks, guns, ships and planes contributes absolutely nothing to an improvement in the standard of living of a nation. Canada's output of $10 billions worth of munitions during World War II created a vacuum that can never be filled. We used up priceless quantities of raw materials and human energy without getting in return a single thing to make our homes more comfortable, our lives more rewarding, our future one speck happier. But we did get in return a measure of short-lived security against those who would have deprived us of our freedom.

What It Means

Now, very much against our will, but absolutely necessary to our security, we have begun another period of military production. We have begun to drain off manpower for the armed forces. We have begun to divert materials to defense needs.

Let me cite a few simple facts:

Cartridge cases for ten rounds of rifle ammunition require as much brass as an alarm clock.

—There is more steel in a light machine-gun than in a baby carriage.

—An anti-tank gun takes more steel than 25 or 30 refrigerators or washing machines.

—More aluminum is used in building a single heavy bomber than would be employed in Canada's kitchen utensil industry in a week.

—A 33-ton tank requires as much steel as 22 automobiles.

—A jet plane plant in Toronto will employ as many workers in 1951 as we have on our payrolls in Ford of Canada, currently the largest employer of labor among all Canadian manufacturing companies.

Wars Needs First

The inescapable effect of a war preparedness program is that it drains off raw materials, productive facilities and human effort from the needs of a peacetime economy. It takes absolute priority over everything else.

If there is just so much steel available, the needs for guns, tanks and destroyers will come first, and only what is left over can be used for automobiles and refrigerators and a thousand and one other things people would like to have.

Brass will go into cartridge cases, aluminum into bombers. If there are just so many workers in our national labor pool, a lot of them will go to work building tanks instead of automobiles, jet planes instead of pots and pans, guns instead of gadgets.

We might as well face the fact that as major defense programs get rolling, there will be a proportionate falling-off in civilian production.

The process will be gradual. Some orders for war materials have been placed in Canada, but very largely in plants and shipyards owned by the Government and maintained as part of our arsenal system. Relatively few orders are in the hands of private firms.

I have no knowledge of any major order for military vehicles having been placed so far with any Canadian automotive firm, although it has been widely rumored that our plants are being geared for the purpose. Mention has been made of an allocation of $36 millions in the defense budget for the development and production of military vehicles, but if an entire program of such proportions were placed with one of the major producers, it would represent only a fraction of a year's production from a single plant.

It simply is not possible, in most industries, to stop making civilian goods one day and start in making military items the next. In the motor car business, for example, there would be months of planning and tooling before the first war unit would come off the line.

The first effects upon the civilian economy will not result from a change-over of productive capacity to defense orders, but from gradual diversion of strategic materials from peacetime to defense needs. The blow will fall heaviest upon users of steel, copper and brass, aluminum, and other metals.

Steel already is in extremely short supply, largely because of munitions programs already underway in U. S. and because of defense stock-piling in that country.

Steel Is Key

At no time since the end of the war has there been an actual surplus on this continent. There have been many times when the automobile manufacturers, for example, have operated on a hand-to-mouth basis.

The steel uncertainty is seriously hampering U. S. and Canadian auto manufacturers in planning their forward schedules. In our company, we can look ahead no farther than a couple of months, but we hope to maintain moderately high schedules next year. Nevertheless, I doubt whether as many cars will be produced in North America in 1951 as have been built this year.

A slow tapering-off process in civilian production seems unavoidable. The simple truth is that, in spite of the tremendous expansion of North American industry during and after World War II, we still lack adequate capacity to support both an all-out defense program and an unprecedented civilian demand.

We can take some comfort from the fact that both the U. S. and Canada are in better shape to meet the situation than we were in 1939, but — I hate to admit it — we may be entering an era in which our economy will level off. We undoubtedly are approaching another crossroads on the road of national progress.

The situation presents a major challenge to all of us in business.

Xmas Bonus Plans Spread In Canada

Christmas bonus time is here again and Santa's bonus pack seems to be getting heavier every year. But it's not so much a case of fatter cheques or heavier turkeys this Christmas—although this is true in some cases—as heavier employment and still more companies electing to start on this Christmas goodwill gesture to employees.

A survey of the Toronto financial district including banks, insurance companies, brokerage and investment houses, a sample section of mining and industrial firms, shows the bonus trend moderately upward from last year, reflecting a generally better business year. Biggest boost shows among brokerage and banking firms.

One of the largest Canadian banking companies has jumped the Yuletide extra from 5% to 8% of a year's salary, another from 3% to 5%. Others which are just duplicating last year's payment have announced better-than-average salary boosts.

Boost Payments

Every brokerage house contacted reported sizeable jumps in bonus payments both on an annual basis and for Christmas. On the average, bonuses over the year work out to about two months extra salary including anywhere from two weeks to a month's extra this Christmas. Several houses throw in turkeys as well. Because of the sharp ups and down in their type of business, more and more firms are paying extras when business is good. One firm pays an extra 25% of week's salary to employees who work the entire week, including Saturdays. This is to counteract heavy absenteeism on Saturdays.

Investment houses and insurance companies are pretty well maintaining last year's bonus rates. Some firms base payments on salaries, others on number of years service. Several of the insurance companies pay a straight extra of anywhere from $10 to $25 per employee.

Consolidated Mining & Smelting Co. will pay a bonus of $75 to employees at Trail, Kimberley and certain other operations who started work before Jan. 15, 1950. On top of this the company will distribute over 55 tons of turkeys to married employees and single employees with dependents, company pensioners and widows.

Another large mining house with widely destributed holdings in both base metal and gold mining operations will pay a week's salary up to $50 to salaried employees and will provide turkeys at the mines to married employees. Another large base metal operator will pay the usual $25 extra to all employees.

Provinces Have Two Options For Tax Rental Agreement

(Continued from page 1)

guaranteed minimum for each province is shown, as well as the estimated actual payments that would be made in 1951-52 (the first year of the proposed new five-year pact).

NEW AND OLD FEDERAL-PROVINCIAL TAX AGREEMENTS
(Millions of Dollars)

	Guaranteed Min. Payts. Present Agree.	Proposed New Agree.	Actual Payts. in 1951-52 Under Present Agree.	Proposed New Agree.
Nfld.	6.2	9.2	9.6	9.9
P. E. I.	2.1	2.9	3.0	3.1
N. S.	10.9	15.7	16.4	16.8
N. B.	8.8	12.8	13.4	13.8
Que.	56.4	84.6	89.3	91.9
Ont.	67.2	101.8	105.3	110.8
Man.	13.5	18.9	19.9	20.5
Sask.	15.3	19.8	20.6	21.1
Alta.	14.2	20.2	21.5	22.1
B. C.	18.1	30.2	32.0	33.0
	212..7	316.0	331.2	343.0

In his speech introducing the new proposed basis, Finance Minister Abbott made a strong plea for the advantages of continuing, and if possible, extending the present tax rental plan.

He contended that "at no time in the past half century has the Canadian peace-time tax system as a whole been a more efficient and equitable instrument, nor has it been better adapted to promote the economic development of the country at the present time."

He noted that in 1940 the Federal Government, seven provinces and several municipalities were all attempting to tax personal incomes. "Today there is only one personal income tax in Canada, the federal income tax."

"In 1940, the Federal Government, all of the nine provinces and a good many of the municipalities were attempting to tax corporations on one basis or another, or to speak accurately, on several different bases. Today in eight of the provinces there is a uniform tax of 5% on corporate profits co-ordinated with the federal levy on corporate profits. While in Ontario and Quebec there are various specific or gross taxes on corporations as well as the 7% tax on corporate profits, the latter is not greatly dissimilar from the uniform profits tax in the other provinces."

(In using an estimated "tax potential" of 8½% on corporation profits to construct its new "option," the Federal Government calculates that present corporation taxes in Ontario and Quebec are at an over-all level of 8½%. That is: 7% flat-rate tax plus 1½% for specific or gross taxes.)

Mr. Abbott paid tribute to the "restraint and reasonableness" shown by the two provinces which did not enter the 1947-51 agreements. He argued "that as a result of these agreements and of other developments, we have made a good deal of progress in reducing the evils of multiple and conflicting taxation. The taxpayer has still a heavy burden to carry, but it is a good deal less vexatious than it would have been under the conditions of a few years ago."

Here are Mr. Abbott's details of the new proposals:

"We contemplate an agreement along substantially the same general lines as the present agreement. With regard to the provincial undertakings, a province wishing to enjoy the benefits of the agreement would undertake not to impose personal income taxes, corporation profits taxes and corporation taxes for 1952 to 1956 inclusive. If it wished to accept the option of renting its rights in the succession-duty field as well, it would undertake not to impose succession duties in respect of successions arising from deaths occurring between April 1, 1952, and March 31, 1957. On the other hand, if it prefers, it may continue to levy succession duties on any basis it seems fit, in which case there would be a reduction in the payments it would otherwise receive equal to the total amount of the credits allowed by the Federal Government for duties paid to the province in respect of successions arising from deaths occurring during the five-year term of the agreement.

"The specific offer we are now making is that **the guaranteed minimum payments under the new agreement should be raised by adjusting upwards the present guaranteed minimum payments by the ratio of increase in gross national production per capita and provincial population between 1942 and 1948.** In other words, the guaranteed minimum payments are being brought up to date, that is to say, up to the year 1948. Any province wishing to enjoy the benefits of a new agreement may therefore select as its guaranteed minimum payment under the new agreement the amount of its present guaranteed minimum payment adjusted upward to a 1948 basis in the way I have described.

"We are, however, providing an additional option. Since the payments under the agreement are primarily for the rental of tax fields, it can be argued that a more up-to-date evaluation of the rental value of these tax fields than the one which is included in the first option provided under the present agreements should be developed. You will recall that this was based on actual tax receipts by the provinces from income and corporation taxes in 1940. This argument seemed to us to be a valid one and we are therefore providing that any province may, as an alternative to the option I have just outlined, take as its guaranteed minimum annual payment the sum of the following amounts:

1. The yield of a personal income tax at 5% of 1948 federal rates applied to 1948 incomes in the province.

2. The yield of a tax of 8½% on corporation profits earned in the province in 1948. (The rate of 8½%, I might explain, is taken as a fair measure of the corporation tax potential and takes account of the separate or specific taxes traditionally levied by provinces as well as taxes on corporate profits).

3. The average revenue received by the province from succession duties. (For the agreeing provinces we have taken the average of the revenues received during the last two years before their succession duties were suspended, and for Ontario and Quebec, the average of the three fiscal years 1946-47, 1947-48 and 1948-49).

4. Statutory subsidies payable to the province for 1948.

"We would propose to continue the provisions of the present agreements relating to taxes on profits derived from logging and mining operations and the ancillary provision of our law which authorizes us to share our net receipts from taxes on certain stipulated income of certain public utility companies."

Mr. Abbott also stated that two changes would be made in the bases for calculating annual changes in the rentals payments.

1. Gross national production will in future be used at "factor cost" instead of "market prices." (This simply means deducting the total of indirect taxes paid in the manufacture or sale of goods.)

3. In future, adjusted payments will be based on a two-year moving average instead of a three-year average as at present.

HOW PROVINCIAL TAX POTENTIAL COMPARES WITH NEW FEDERAL OFFER †
($000)

	What Provinces Could Raise Themselves (a) By 5% Personal Inc. Tax	(b) By 8½% Corp. Tax	(c) In Succession Duties	Total‡	New Guaranteed Minimum Payments
P. E. I.	61	321	101	1,140	2,911
N. S.	803	4,024	770	7,602	15,666
N. B.	605	3,343	875	6,455	12,758
Que.	7,743	45,603	10,916	67,129	84,598
Ont.	14,691	67,566	16,389	101,801	101,801
Man.	1,676	7,170	780	11,342	18,855
Sask.	1,195	4,537	658	8,432	19,831
Alta.	2,018	7,464	993	12,493	20,243
B. C.	3,571	21,151	2,260	28,345	30,229
Total	32,363	161,179	34,102	244,739	306,892

† Newfoundland excluded from this calculation because insufficient data available.
‡ Includes statutory subsidies totaling $17.1 millions for all provinces.

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Wanted to purchase outright or into established Inland shipping business having one or more ships with traffic between Canada and U.S.A. Reply in confidence.

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Gifts for everyone from every corner of Simpson's — and just one visit can see your Christmas shopping done. It's quick . . . it's easy . . . and there's no service charge when a man shops at Club 391.

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Manufacturer's agents covering wholesale furniture and building supply outlets, can carry additional lines selling to wholesale or retail trade for B. C. and Alta.

BOX 97, THE FINANCIAL POST, TORONTO

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Leading Latex Foam Manufacturer requires man with Furniture sales experience. Knowledge of furniture manufacture and design advantageous. Company has pension plan, group Insurance, etc., and offers good opportunity for advancement in a rapidly expanding organization. Give full particulars as to experience, references, salary expected, and enclose a recent photograph of yourself which will be returned. Your application will be treated in confidence and successful applicants will be granted an early interview.

BOX 106, THE FINANCIAL POST, TORONTO

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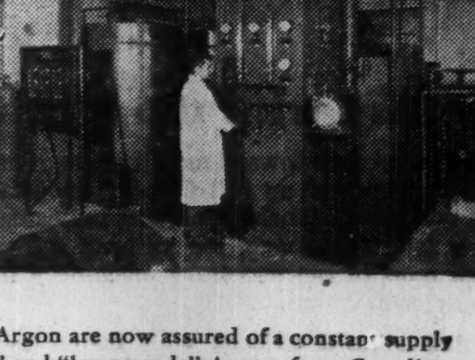
NOW PRODUCED IN CANADA!
. . . at Canada's *first* and *only* Argon plant



Canadian users of Argon are now assured of a constant supply of "welding grade" and "lamp grade" Argon, from Canadian Liquid Air's new, modern plant at Hamilton, Ontario.

To ensure the highest possible quality, Canadian Liquid Air has set up a system of rigid analysing and performance testing procedure. Tests are made at every step of the production, and a record of each cylinder of gas is certified by the test chemist's signature.

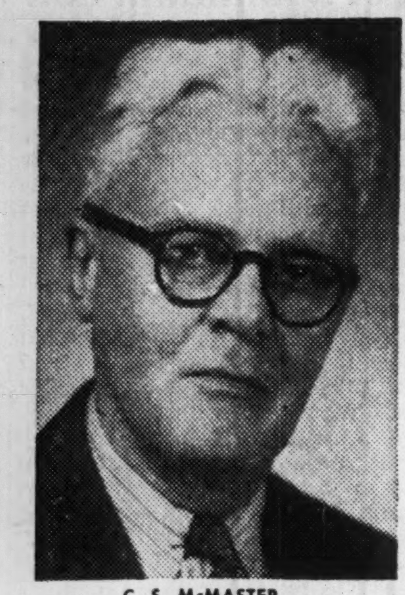
To augment its own strict tests, the company has also arranged for frequent spectrometric analyses by a leading university. Analysis of welding grade Argon by this method has established a purity of 99.99%. L. A. customers are thus assured of the highest quality Argon available.

By purchasing L.A. Argon you will have a guaranteed Canadian source of supply, free from variations in customs and import regulations or dollar exchange rates.

Canadian **LIQUID AIR** Company LIMITED
St. John's Sydney Halifax Moncton Quebec Sorel Montreal Toronto Hamilton London Windsor Winnipeg Regina Saskatoon Calgary Edmonton Vancouver Victoria

York Knitting Mills Directors

C. M. KING



C. S. McMASTER

J. D. Woods, President of York Knitting Mills Limited, announces the election of two company executives, Mr. C. M. King and Mr. C. S. McMaster, to the Board of Directors.

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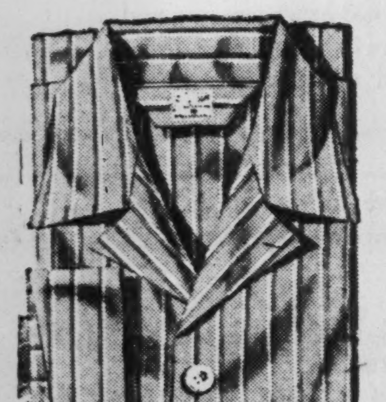

PYJAMAS
Imported English poplins of superb quality.
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SHIRTS
Fine English Broadcloth in Stripes and Plains.
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Lamb's wool fine jersey knit by Morley of England. Sleeveless, sleeved and cardigan.
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1115 ST. CATHERINE ST. WEST
THE NEW Henry Marks
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Cost Pressure Boosts Prices On 1951 Autos

After holding the price line for more than two years, through wage increases and constantly rising material costs, most of the automobile industry, by this week, had given in under the pressure.

Most of the so-called independents had already boosted prices. This week, two of the "Big Three" followed suit; Ford reversed a hold-the-line policy, announced increases of 4½%-6%.

G.M.'s increases on Chevrolets and Pontiacs will run about 4%, (against 5% in the U. S. for both G.M. and Ford). The Chev will be $89-$94 more: Pontiac, $84-$89. New models will be coming out next week.

New prices for Buicks and other G.M. models will not be announced until Jan. 20.

Chrysler, the other member of the Big Three, has so far been silent on prices. New models won't be out until next month. An announcement will be made then.

If Chrysler follows suit, this will just about make the increases industry-wide. Studebaker was still to be heard from at midweek.

Said Rhys M. Sale, President of Ford of Canada in announcing increases of 4½%-6% ($100 on Fords and Meteors; $115 on Monarchs and Mercurys):

"They are the first upward adjustments in the prices of our cars since August, 1948, and it will be recalled that we voluntarily cut our prices by $30 to $114 in April, 1949. Even with today's price increase, a 1951 Ford custom Fordor, for example, is only $50 higher in list price than the comparable model in August, 1948.

"Over the entire period since August, 1948, while prices of almost every other commodity have been shooting upward, we have by strenuous effort held the price line on our cars and have actually made reductions. We have been helped by record-breaking production and sales, and by wonderful teamwork within our organization to improve manufacturing efficiency. Unfortunately, we have now reached a point at which these factors can no longer completely offset steep cost increases.

"Pensions, insurance, wage and salary boosts and other benefits extended to our more than 14,000 employees in 1950 alone have added $7,500,000, or better than 18%, to our annual labor cost.

Everything Costs More

"There is not a single item which goes into the manufacture of a car or truck that does not cost a lot more than it did a year ago. The price of rubber is almost four times what it was a year ago. The price of wool is almost double. Copper has gone up 50%, lead by a third, zinc by two thirds. Steel, including conversion costs, is now up 13% and will go higher. Freight rates are up 20%. It costs us more for coal, power, taxes, and everything else.

"We have done our best to help control inflationary trends in Canada, and will continue to do so, but no company can go on indefinitely absorbing tremendous increase in costs."

Raw Material Bottleneck

(Continued from page 1)

gether where necessary; elsewhere there'll be the fullest exchange of information.

Later, it may be necessary to sort out just where various agencies fit into this picture. All have ideas as to how international allocations of scarce raw materials should, or must be controlled. These will be aired at the International Commodity discussions in Washington this week.

Starting Point

But the starting point seems to have been to straighten out U. S. thinking and agree that at present, a formal "combined board" approach would do more harm than good.

Chief reason for outlawing international combined boards for the present, is the shipping situation.

In the last war the basic factor in successful operation of combined boards was the complete control of world shipping held by U. S.-U. K. The Allied Shipping Board had a complete monopoly of shipping bottoms.

If any single country tried to hold out on raw materials, the pool at once applied the monopoly sanction of shipping control. Recalcitrants were invariably brought into line.

Today, no such sanction applies. Hence it's argued that there is no effective way in which key raw materials could be allocated.

What's needed is closer cooperation, freer exchange of information on each others' needs and purchases.

And the starting point is the conflicting agencies in Washington itself.

To have made a start in this direction is one of the most important single results of the Attlee visit.

JOHN A. McDOUGALD

has been elected a director of the Canadian Bank of Commerce.

Ottawa Queries Pension Figures

(Continued from page 1)

their own borders if they accepted the federal offer. But there is a disposition here to wait and see what figures are actually produced in the next few weeks and months to support these contentions.

In the joint parliamentary report which recommended the $40 pension for all persons over 70 and a similar amount for means test persons 65 to 69, it was estimated cost to the provinces would be slightly less than the $32 million they are paying as their share of the present system.

To confirm this forecast, it is pointed out here that with peak employment, it is likely there will be even more pensions 65-69 at work than was estimated when the report was prepared last summer. Thus, the number of persons in this age group applying for pensions may be smaller than previously expected.

There will be about 427,000 persons in Canada aged 65-69 in 1951. Last summer it was estimated that about one third (142,000) would be applying for means test pensions.

OSC Otpions

DESPINA GOLD MINES by agreement dated Oct. 31, 1950, granted to Harlake Holdings Ltd. a further extension of 90 days on payment falling due Nov. 1, 1950, and a similar extension on all subsequent payments, so that the payment originally due May 1, 1950, and extended to Nov. 1, 1950, is now due Feb. 1, 1951.

EMBURY LAKE MINING by agreement dated Apr. 30, 1950, Tidewater Securities Ltd. purchased 100,000 shares for $5,000 payable forthwith with option on a further 870,000 shares at 10c payable upon requisition provided that the underwriter is not required to purchase more than 100,000 shares in any one month and provided that all optioned shares not purchased by Apr. 30, 1952, be null and void.

OROFINO MINES by agreement dated Oct. 10, 1950, amended Nov. 27, 1950, Beau Investors Ltd. received option on 1,000,000 shares being 800,000 shares at 33c, payable 200,000 shares by Dec. 8, 1950, 100,000 shares by Jan. 8, 1951 and Mar. 8, 1951, 100,000 shares each at Apr. 8 and May 8, 1951, and 100,000 shares at 35c payable by Aug. 8, 1951. With payment for first 400,000 shares at 33c, option will be granted on further 100,000 shares at 40c payable by Jan. 8, 1952. R. A. Hutchison is entitled to purchase optioned shares with no price spread, only payment of transfer tax and fees.

KABOUR MINES by agreement dated July 25, 1949, Joseph Mercier purchased 100,000 shares at 5c and a further 100,000 shares at 5c under option. Agreement amended providing for further options payable 100,000 shares at 10c by Dec. 31, 1950, and Mar. 31, 1951; 100,000 each at 15c, 20, 25c and 30c by June 30, Aug. 31, Oct. 31 and Dec. 31, 1951. By agreement dated Sept. 8, 1950, between Joseph Mercier and Forest Financial Corp., Mr. Mercier sells 20,000 shares at 10c payable by Nov. 1, 1950, and option granted on 80,000 shares at 11c payable by Nov. 30 and Dec. 31, 1950.

LUN-ECHO GOLD MINES 600,000 shares capital stock offered to Mosher Long Lac Gold Mines shareholders under proportionate subscription rights and 490,466 shares were subscribed under rights with balance of 109,534 shares sold to Elaine Agency Ltd. No options on 1,800,000 shares at 10c to $1 have been exercised and, on Aug. 25, 1950, company granted extention of 60 days for exercise of options to Elaine Agency Ltd. Date for exercise of first option is Dec. 30, 1950, and all subsequent installments are advanced 120 days.

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DEWY FRESH FLOWERS AND FLOWERING PLANTS

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Ernest S. Simmons
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Buyers Shelling Out In Christmas Splurge

(Continued from page 1)

order business in rural areas equal to 1949.

Toronto

Sales, slow in November, took a spurt in December. Outlook "a little better than last year." Toys moving particularly well, some lines in "terrific demand." Assortment of goods generally better than last year. Picture for luxury goods confused, some items doing better and some not so well as 1949. Big stores find little change in installment buying; smaller stores report falling off. This is offset to some extent by "charge accounts." Sporting goods and traveling goods lag behind last year.

Department stores doing a little better than last year; mail order business just as heavy. Prices on most items up from 5% to 10%. Dollar volume will therefore be higher.

Clothing demand is varied. No special runs this year on particular items like dressing gowns or coats, the case in previous years. Fur coats are a little better than last year. Wholesale sales of woolen goods lively. Prices at that level are up about one third but retailers have averaged prices of old and new stocks. Higher prices of woolen goods have started a turn to synthetic substitutes.

Boom continues to television sets, radios and record players. Console types are slow but mantel models go better. Credit curb has cut budget sales in electrical appliances but over-all business counteracts this decline.

Montreal

Business as good as last Christmas season, but not likely to be better. September rush in luxury items, to beat higher taxes, was much like Christmas season. "We are hoping to hold our own with last year but don't expect a better season," were one typical dealer's words. Going well are gift items —novelties, tables, lamps, radios, jewelry. Eye-catching stuff from Europe is on display but expensive goods are scarcely keeping pace with last year. Lower priced items are ahead of last year. Fur sales are up for the year but slightly down for the holiday period.

Charlottetown

Outlook not so good this year. With potatoes selling at 30c a bushel, money is tighter than last year. High prices for livestock offset this to some extent. Appliances moving well but luxury lines like jewelry and fur coats slower. No scramble for goods that might be war casualties.

St. John's

Newfoundland outlook uncertain, but 1950 seems up to 1949; unlikely to be better. Drygoods moving best. Fancy goods hold firm. Mild weather has apparently had little effect on buying.

Ottawa Firm On Controls

(Continued from page 1)

resources and supplies than they are. We don't necessarily need to follow their methods. But we've got to produce the same end-results."

There is no belief here now that Canada will require any additional legislative powers, prior to the time Parliament meets on Feb. 14.

Present powers, vested in Mr. Howe under the Essential Materials Act, would be of no use for over-all price and wage control. This act permits price and allocations control over certain essential materials and substances. But it gives no power to control prices over "articles and things." There is no power to control wages.

Nor is there any talk as yet in Ottawa of setting up a separate control for civilian as against defense needs.

Such a decision would come eventually if a real emergency develops. But not yet.

It's certain that for the time being, whatever controls we have, will be exercised through Department of Trade and Commerce. Existing price and rental controls now remaining in the old Wartime Prices and Trade Board will lapse, according to present schedule.

No Steel Controller

There is no new plan as yet at Ottawa to revive these.

Another important straw in the wind is the Government's determination not to enlist "first-line" outside manpower until it senses a much more serious emergency.

Thus there's to be no naming of a steel controller at the present time.

This week's appointment of Kenneth Harris as "Director of Steel Division" in the Department of Trade and Commerce is indicative of the Government's view that we haven't yet reached a stage (even in steel) where we need men with comparable power and authority to that given to wartime "controllers."

Look For It Here

Dec. 16, 1950

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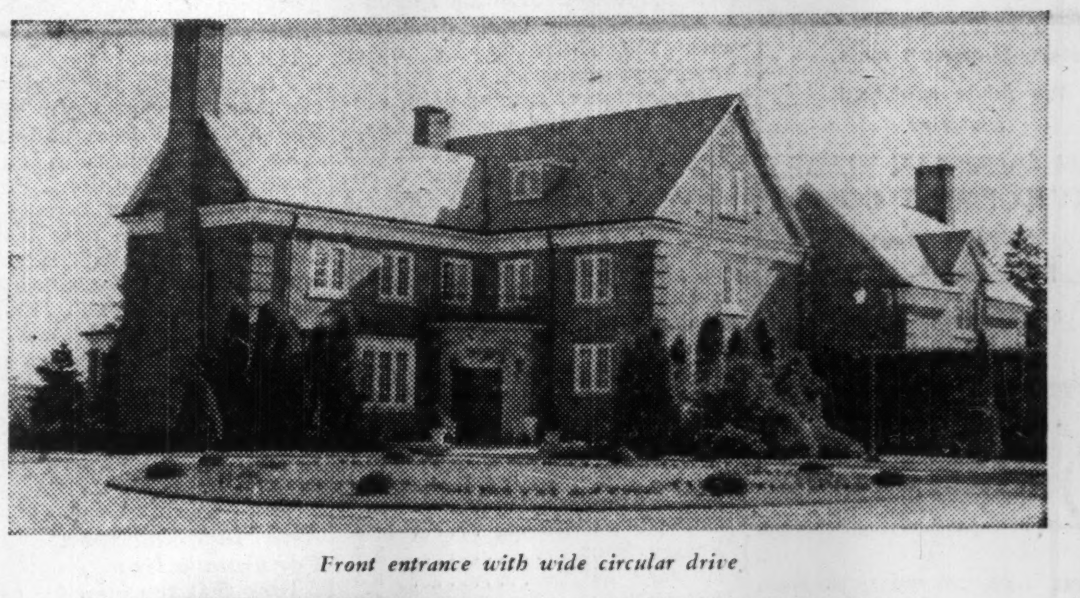
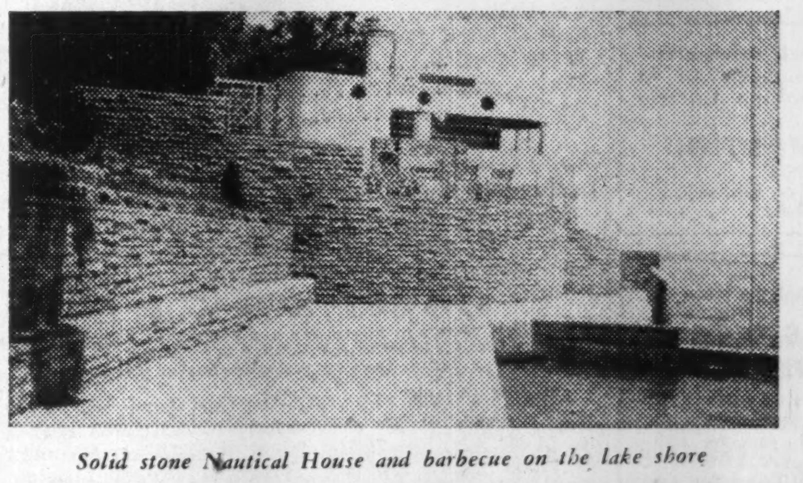
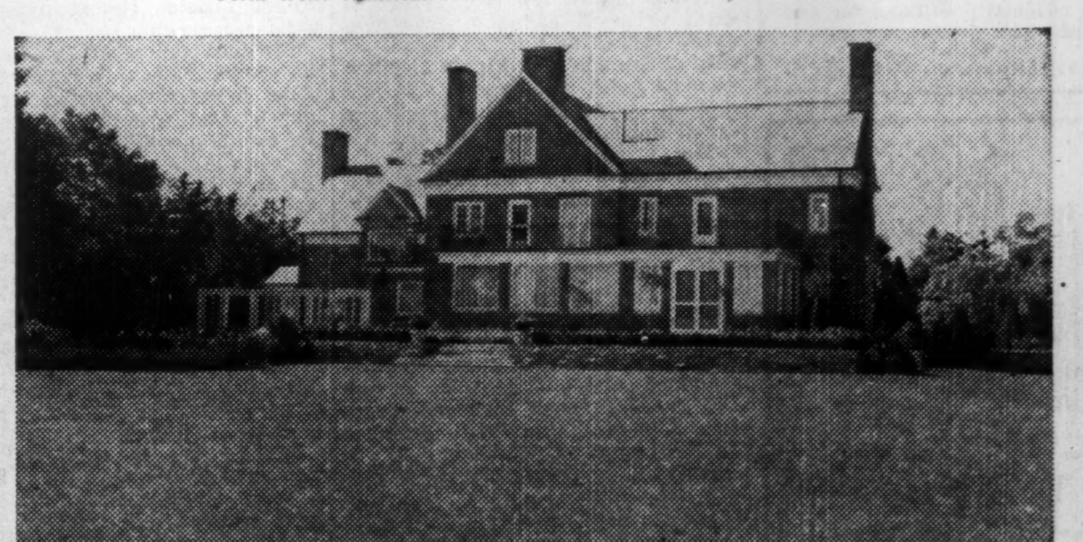


Front entrance with wide circular drive



Solid stone Nautical House and barbecue on the lake shore



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INVESTMENTS THIS WEEK

How Does the Market Value Pulp & Paper Co. Assets?

Acquisition by Abitibi Power & Paper Co. of B. C. Pulp & Paper Co. points up some interesting facts about the valuation the market has been placing on the assets of pulp and paper companies. It also indicates some of the difficulties in financing new mill construction.

The Abitibi offer of $200 a share for the 100,000 common would place the total market value of B. C. Pulp securities at $26,212,000 ($5.5 millions bonds at par, 5,562 preferred shares at recent market value of $128 a share). Based on B.C. Pulp's daily saleable capacity of 435 tons, this would indicate the buyers are paying $60,000 per ton of capacity per day for the going concern.

How does this compare with the estimates for new mills and for other operating mills? Although it's difficult to make any strictly accurate comparison because of the differences in their end products and changes in market conditions and prices, here's the situation with some of the other pulp producers:

Columbia Cellulose, scheduled to come into operation in British Columbia early next year, will have an initial production rate "in excess of 200 tons a day" of high alpha pulp used in rayon manufacture. (B.C. Pulp makes dissolving pulp for this purpose but its total output averages a lower grade of sulphite than that planned for the Columbia Cellulose mills.) Capital requirements for the new mill as revealed in the prospectus were placed at $31.8 millions, including plant construction, capital expense for woods operation, working capital, etc.

Valuing the $20 millions of bonds, the $6 millions preferred and $6.5 millions common at par, the $32.5 millions total works out to $160,000 per daily ton on the basis of 200 tons a day. This is more than 2½ times the apparent valuation on B.C. Pulp.

On the other hand, predicted earnings per daily ton (available for interest and dividends before taxes) indicated in the prospectus were $19,096; $11,458 if 40% taxes are deducted. B.C. Pulp earnings per ton of daily capacity in 1949 (when plant operated only nine months) were $2,840. Thus the ratio of earnings to the market value of the securities was only 2.7% against predicted 11.8% for Columbia Cellulose. However, in 1948, B.C. Pulp earnings worked out to $7,898 a daily ton and the ratio was 13.1%. Higher pulp prices would change both calculations this year.

Howard Smith Paper Mills, with a daily saleable capacity of 775 tons, has a market valuation of $40.6 millions ($11,995,000 bonds at par, $8 million preferred at par and $20,646,000 common at $62 a share).

Fraser Companies, similarly, has a market value of $35.9 millions, and total output potential per day of 775 tons also. Thus market value per ton of daily capacity is $46,350 for Fraser Companies, $52,440 for Howard Smith; earnings per ton—$4,015 and $4,397, respectively.

Both Fraser Companies and Howard Smith are integrated companies—that is, they use most of their pulp production in the manufacture of paper and paper products. On a per ton basis, the market value placed on their assets as a going concern is lower than that placed on B.C. Pulp, a straight pulp producer.

However, investment men point out that in the latter case, purchase of control was involved, a factor which always tends to push the price above the going market (at $82½ a common share—the low in January—market value of B.C. Pulp was only $30,000 a ton).

Turning to the newsprint producers, it becomes apparent why there hasn't been any stampede into new construction, no new public junior financing at present newsprint prices.

Market values attached to most of the existing producers are running considerably below the apparent cost of new construction. The new Elk Falls Co. is building a newsprint plant (without any chemical pulp capacity at present) with an initial capacity of 240 tons daily. On the basis of $13.5 millions of bonds, $2 millions class A and $6 millions class B, market valuation amounts to $89,583 per ton compared with $30,000-$50,000 for other important producers.

Proportion of funded debt, preferred issues and common stock is also interesting. Averaging four existing producers (Consolidated, Abitibi, Donnacona and Price Bros.), bonds represent 22.7%, preferred 10.6%, and common, 66.7%. Elk Falls has 62.8% in bonds, 9.3% in class A common and 27.9% in class B common.

Here's a Financial Post table showing ratio of earnings (on a daily capacity tonnage basis) to market value of securities:

	%
B.C. Pulp	4.7
Columbia Cellulose	11.7
Fraser Bros.	8.7
Howard Smith	8.4
Elk Falls	5.8
Consolidated Paper	12.4
Price Bros.	10.1
Donnacona	10.6
Abitibi	10.3

* * *

Stock Owner's Rights In Broker Bankruptcy

What are the rights of the owner of securities purchased and paid for in full but left with his broker in the event of a broker's bankruptcy? Some of the uncertainty surrounding this problem has been cleared by a recent decision by Mr. Justice Louis Boyer in Superior Court, Montreal.

The court decided in favor of a Fairbanks, Kirby & Co. client, Mrs. Jacob Forchheimer, who applied to recover securities she had bought outright but which had not been registered in her name or put in safekeeping for her. Because they were in street name, and weren't specifically marked or set aside, the trustee in bankruptcy held that they should go in with the general assets of the bankrupt brokerage firm. There was no positive means, he contended, of identifying the securities as the property of Mrs. Forchheimer.

However, Judge Boyer ruled that while the client could not positively identify the actual securities, the firm's books showed that she was "long" those securities and that the firm held no other bonds and shares of the same kind as a large part of her holdings. The rest of her holdings could be turned over to her out of securities of the same kind already held by the broker. Some of the latter belonged also to another client, but there were enough to satisfy the claims of both. If there hadn't been enough to satisfy both, they should be divided between the two clients on a pro rata basis, it was ruled.

It would "facilitate fraudulent conversion" if the client lost all rights to securities just because they weren't specifically marked or put in a special container for the owner, the judge pointed out.

* * *

National Steel Car To Capitalize Surplus?

National Steel Car directors are looking into the possibility of capitalizing company's surplus, The Financial Post understands. Like other companies enjoying large surplus positions, directors are exploring the benefit to be derived from the new tax laws. Company's undistributed surplus works out to $9.65 a share (based on position at June 30, 1950) after deducting the 15% tax. Since National Steel Car isn't a private company within the meaning of the tax act, the company would likely have to arrange for control to pass to another new company to qualify.

* * *

New Financing Soon For Canada Iron

Now that the plan for capitalization of the earned surplus of Canada Iron Foundries has been approved by shareholders, new public financing by the company is expected in the next two or three weeks, The Post understands. The company has just called for redemption the outstanding 6% preferred shares, $10 par, at $25 a share on Dec. 28.

HAROLD B. MANNING

has been appointed president, Weston Biscuit Co. Inc., U. S. subsidiary of George Weston Ltd.

Expansion Program Hinted In Abitibi West Coast Deal

From Our Own Correspondent

VANCOUVER — Abitibi Power & Paper in one of the largest pulp and paper deals in recent Canadian history has purchased B. C. Pulp & Paper Co. here for approximately $20 millions and has entered into a working arrangement with Alaska Pine Co.

D. W. Ambridge, president of Abitibi, in an interview indicated that his company may expand the operations it has taken over here, but he wouldn't elaborate whether it would be in newsprint, fine papers, more pulp or actual sawmilling and lumber production.

"British Columbia is one of the greatest sources of cellulose for every purpose in the world today," he said. "Here's a growing country and the day it becomes economical to make or produce anything on the West Coast, then we'll be ready to do it."

Neither Mr. Ambridge nor Leon J. or Walter C. Koerner, owners and founders of Alaska Pine, would give details of the deal between the two companies. "Alaska Pine did not sell out, we are integrating," said Leon Koerner.

Mr. Ambridge referred to the Koerners as "partners with us." This of course could mean that there has been a transaction of some sort but neither side will say definitely. The same personnel will remain in Alaska Pine and this, combined with local unconfirmed reports, leads to the assumption that the Koerners might have a large voice in running the western end of Abitibi's operations.

Koerners have long been in favor of B. C.'s forest management license laws, having seen similar type laws work in their native Czechoslovakia. And Abitibi likes them, too, Mr. Ambridge hints.

"Our partners tell us that it is a very forward step and we'll go ahead with the Government in this plan that will assure B. C. of perpetual forest yields," said Mr. Ambridge.

Alaska Pine, which was founded by Koerners at the start of the war, is the third big lumber producing organization in B. C. First is H. R. Macmillan and second Seaboard.

Integration of Koerners with a pulp outfit will mean that a lot of the waste wood, chips, etc., will be used in the pulp operations.

As to future plans: "Well, Mr. Ambridge and we don't stand still," said Walter Koerner.

Abitibi said its offer to buy common shares of B. C. Pulp at $200 per share has been accepted by more than the 90% of holders of the 100,000 outstanding shares.

CPR Dividend Up On Improved Rail Operations

MONTREAL (Staff)—Canadian Pacific Railway has declared a final 1950 dividend of $1 per share (4%) on its ordinary stock, payable Feb. 28, 1951 to shareholders of record Dec. 29, 1950.

Of this 4% dividend, 3%, it is stated, is attributable to railway operations, net earnings from which "continue to show improvement over last year." This marks a significant change in C.P.'s profits as, since March, 1948, railway earnings have been insufficient to pay ordinary dividends and payments have been made from other income.

This boosts total 1950 dividends to $1.50 (6%) per share. The August, 1950 payment of 50c (2%) per share came solely from other income. Railway earnings then, it was stated, had improved but were still insufficient for dividends.

Stock Dividend For Aluminum Co.?

MONTREAL (Staff) — Aluminum Co. of Canada has applied to the Provincial Electricity Board to declare a 100% stock dividend and to issue $50 millions 3⅜% unsecured debentures. The new debentures are dated Dec. 15, 1950, due Dec. 15, 1970, "or dated and maturing on such other dates and bearing such other rate as may be authorized by the board."

Regarding the stock dividend, company states in its application that it wishes to convert some of its present distributable surplus into capital stock (wholly owned by Aluminium Ltd.)

Purpose of the debenture issue is to "raise funds for the general corporate requirements of the company and its subsidiaries."

The financing is expected to provide funds for the company's new 200,000-hp Peribonka development and expansion of its ingot capacity.

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Argus Corp. Ups Holdings Of B. C. Forest Products

Argus Corp. has upped its holdings of British Columbia Forest Products by 100,000 shares. As at end of fiscal year (Nov. 30, 1950) portfolio holdings in this stock amounted to 300,000 shares or 15% of the outstanding shares. Additional shares were purchased during the last half of the fiscal year.

Income from investments during the year amounted to $1,445,830 compared with $1,181,400, reflecting higher dividend disbursements in several stocks. Indicated asset value of the common stock at Nov. 30, 1950 was $13.73 a share, as compared with $12.15 on the same date last year.

Company's income represents only the dividend portion of the earnings on the shares held in the portfolio. Following table shows the approximate earnings attributable to the preference and common shares of the company during the fiscal years 1946-1950 based on major investments held. Also shown is the percentage of such earnings the company has received on these holdings.

	1946	1947	1948	1949	1950
Argus share of total earns. on major investments (held in portfolio) (approx.)	$1,519,000	$2,476,000	$2,795,000	$3,769,000	$3,520,000
Percentage of earns. received in form of dividends	34.3%	40.0%	43.2%	31.3%	41.1%
Earns. retained in business by cos. representing major investments:					
Per share Argus pref. stock	$19.94	$29.72	$31.78	$51.76	$41.48
Per share Argus com. stock	$1.17	$1.75	$1.87	$3.04	$2.44

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BOX 102, THE FINANCIAL POST, TORONTO

Record Nickel Production Achieved By Canada in '50

More nickel was made available to industry and for stockpiling in 1950 by Canada's nickel industry than in any previous peacetime year, Dr. John F. Thompson, president, International Nickel Co. of Canada, reveals in a special review of this top-bracket industry.

Even before the Korean situation caused the nickel supply situation to become acute, Dr. Thompson stresses that industry generally had been working at a very high level of activity and there had been a great increase in the use of the metal for a wide range of purposes.

Here is how the situation has developed in the eyes of Dr. Thompson:

"Despite the fact that nickel was in tight supply during the latter half of this year, the amount available for distribution and governmental stockpiling in 1950 was the largest for any peacetime year in the history of the Canadian nickel industry," he declared.

Output About 250 Million Lb.

"It is expected that nickel output by the Canadian producers, International Nickel and Falconbridge Nickel Mines, for the year 1950," he continued, "will be approximately 250 million lb. Currently International Nickel's production is running at substantially the average level of the war years.

"In the latter part of June, prior to the Korean conflict, when it became apparent that the demand for nickel would exceed the available supply, a voluntary rationing program was put into effect. Although nickel, like other metals, remains in tight supply, military requirements are being met in full and shipments are being made to government stockpiles. The trade's civilian requirements continue, however, to take the major portion of the world's supply.

Cut Use 35% In U. S.

"In the United States on Dec. 2, an order was issued by the National Production Authority limiting the non-military consumption of nickel in the first quarter of 1951 to 65% of the average quarterly rate of consumption during the base period comprising the first six months of 1950. The order is stated to be designed to maintain equitable distribution, through normal channels, of that amount of primary nickel remaining after meeting the requirements of the national defense.

"International Nickel's production of nickel for the past six months has been maintained at maximum capacity. This has only been possible through a development and expansion program to provide greatly increased underground ore facilities to replace open-pit ore, depleted during World War II. The broad mining development and expansion program has entailed expenditures in recent years of some $90 millions of which over $40 millions have been spent since the end of World War II. This program will require further large capital expenditures during the next several years to permit maintenance of current capacity production of nickel as the end of supplies from the Frood-Stobie open pits approaches."

Canada Main Supplier

"Canada, the world predominant producer of nickel since the early part of this century, continued to furnish the industrial world with the major portion of its requirements," Dr. Thompson indicated. "This year's nickel output of the French new Caledonian deposits is reported to have been sufficient to meet the requirements of French industry. No information is available on Russia's 1950 production of nickel. In September it was reported that United States Government was planning to reactivate its idle nickel facilities at Nicaro, Cuba, which were closed early in 1947. The production of this plant for the preceding year, 1946, was reported at approximately 25 million lb."

Before certain civilian applications of nickel and nickel alloy were affected by rationing in the last six months, a tremendous demand for nickel was demonstrated by industry.

Stainless Demand Great

The steel industry again accounted for the largest portion of nickel consumed in 1950 and demand by this industry was appreciably above that of the previous year. During the first nine months of 1950, U. S. production of stainless steels was the largest of any similar period in history. Average quarterly production was over 195,000 tons. Indications were that the output for the full year might approach 750,000 tons. Over 60% of this production is expected to be nickel-containing grades, which will account for a large portion of the steel industry's nickel consumption.

"Defense plans being formulated at present will create heavy demands for stainless steel and applications essential to national preparedness," Dr. Thompson indicates. Demand for plating nickel during the first part of 1950 indicated that such use was about one third greater than any former peak.

General advances in all fields of industry during 1950 were reflected in expanding uses of malleable nickel and Inco nickel alloy such as Monel and Inconel. This expansion had been noted in normal peacetime industry prior to the beginning of defense programs.

Essential In Communications

Utilization of iron-nickel base alloys with special magnetic and thermal expansion characteristics for control devices and radar, electronic and communication equipment continued on a steadily expanding scale. Nickel is an essential constituent of these alloys in amounts varying from 22% to 80%. Similarly markets for extremely strong permanent-magnet alloys of the Alnico type containing 14% or more nickel, are increasing rapidly. New applications, such as nonmechanical magnetic household refrigerator and cupboard door closures and magnetic tool racks, are constantly being developed with the field of potential application very broad.

Higher Prices For Cotton Seen Possible

MONTREAL (Staff) — Canada's cotton mills are currently "busier than at any time since World War Two," Vice-president J. I. Roy told the annual meeting of the Cotton Institute of Canada here this week. Once again, mills are producing for military needs; imports have, for the moment anyway, dropped considerably. As a result, Canadian output for the year shows a sharp boost over 1949.

On future prices of cotton goods, Mr. Roy remarked that "it is quite possible there will be further increases." Price of raw cotton hit its highest point in the 80-year history of the New York Cotton Exchange—44 cents lb.—on Nov. 20, 1950, he noted. Wages have increased steadily and are now at an all-time high, and prices for machinery are up.

Total 1950 production, he estimated, will be about 300 million yards, up 45 millions from last year. Imports will total around 175 million yards, down 41 millions. Canadian industry, he stated, "has again stepped up production to fill a gap when high imports have momentarily ceased."

Mr. Roy went on to discuss the future of the industry — first, in the event of a third war, and second, should demand slacken and conditions return to those known since the end of the war.

In the first case, he warned against "the exceptional dependence of Canada on outside sources of supply of cotton goods." Bulk of these come from the United States and Canada's supply situation would become precarious if U. S. home demands there equalled output. He also noted that Canada is "very insecure" in "certain critical items," such as fine spinning and weaving.

In the second case — should emergency demand slacken—Mr. Roy discussed the problems facing Canadian producers from foreign competitors. Biggest foreign supplier in the last decade has been the U. S., he said, and, as the last of the import quotas on American goods established in 1947 have now been removed, effective Jan. 1, 1951, "the year 1951 could be the first opportunity to learn the results of the lower duties negotiated at Geneva in 1947, and of the relaxation of the Canadian Customs Act in 1948."

WHEATLAND SCHOOL DIVISION NO. 40 (Alberta) $97,500 issue 3½% debentures due 1951-70 sold to J. L. Graham & Co. at 100.03.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

ARGUS CORP. net profit for the year ended Nov. 30, 1950, amounted to $1,244,731, up 26.4% from the previous year's $984,968. Indicated asset value of common stock was $13.73 ($12.15 at Nov. 30, 1949).

In September, 1950, $4 million secured notes were issued and sold and all outstanding bank loans and serial debentures were retired.

The principal change in investment during the year was an increase in holdings of British Columbia Forest Products common stock from 200,000 to 300,000 shares.

Of the companies representing major investments, British Columbia Forest Products, Dominion Stores, Massey-Harris and Standard Chemical have all shown strong trend of sales and earnings during the year. In each instance, directors believe the outlook continues to be favorable, Chairman W. E. Phillips and President E. P. Taylor say.

Orange Crush Ltd. "showed marked progress" in the past two years and, while current profits are restricted by special government taxes and high operating costs, the improvements in 1949-50 over prior years warrant an encouraging view of the future.

Canadian Breweries Ltd. recently experienced a period of rising costs accentuated by government taxation, only partly relieved by price increases in October. As a result, net income was reduced despite record sales volume. Subsidiary operations in the U. S. have shown improvement in the past months. Financial position is strong and products are enjoying increasing consumer acceptance.

Canadian Food Products Ltd. during the past 18 months has been going through a difficult readjustment period characterized by narrowing profit margins in most of its operating divisions. In all likelihood, these conditions will continue somewhat longer but it is expected that investments in Class "A" and common shares will ultimately provide the company with satisfactory returns.

Standard Chemical Co., in which the company has a 33 1/3% common share interest, increased its holdings of Dominion Tar & Chemical Co. common shares during the year to over 51% of the outstanding shares, with Dominion Tar & Chemical Co. becoming a subsidiary of Standard Chemical Co. It is believed that the longer-term prospects for the combined operations are unusually favorable.

In the past five years, investment income has increased from $550,848 in 1946 to $1,445,830 in 1950. Similarly, net per share income has increased from 25c per share in 1946 to $1.20 in 1950.

Net income is expected to be higher in 1951.

INCOME ACCOUNT

Years Ended Nov. 30:	1950	1949
Dividends, etc., rec.	$1,445,830	$1,181,399
Less: Gen. & adm. exp.	85,056	74,150
Interest	116,043	123,506
Taxes	......	♦1,225
Net profit	1,244,731	984,968
Less: Pref. divds.	225,000	225,000
Common divds.	510,000	510,000
Surplus for period	509,731	249,968

♦Credit adjust. of prior year's taxes.

Note: In 1949, $636,110 invest. w/o was deducted from investment reserve.

	1950	1949
Times Int. Earned	11.73	8.97
Earnings per Share and Dividend Record:		
Pref.: Earned	$24.89	$19.70
Paid	4.50	4.50
Com.: Earned	1.20	0.89
Paid	0.60	0.60

CONDENSED BALANCE SHEET

As at Nov. 30:	1950	1949
Cash	$418,657	$197,404
Investments*	†18,617,110	†18,126,066
Other assets	142,164	128,200
Total assets	19,177,931	18,451,670
Bank loan (sec.)	......	1,250,000
Divd. payable	183,750	183,750
Accts., etc., pay.	34,429	27,899
Total curr. liab.	218,179	1,461,649
Funded debt	4,000,000	2,500,000
Capital stock	13,500,000	13,500,000
Earned surplus	1,459,752	990,021
*Market value	•19,761,614	•18,388,292
†After res. of	541,563	541,563

•Not including $564,320 in 1950, $574,320 in 1949, cost of invests. having no quoted market value.

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BOX 104, THE FINANCIAL POST, TORONTO

$26 Million Expansion Program For B. C. Electric

B. C. Electric Co. will spend $26 million on construction and expansion of gas, electric and transportation services next year, President A. E. Grauer has announced.

This amount, 15% higher that the 1950 capital budget, reflects stepped-up business and industrial activity since the Korean fighting began. "It also reflects the company's determination to be prepared for any contingency arising from the present international situation," Mr. Grauer says. The new figure will bring the cost of the expansion program, launched 5½ years ago, to $141.9 million by Dec. 31, 1951.

The largest part of the 1951 program ($18.5 million) will be carried out by the electrical division to expand and improve service.

The Jones Lake hydro development, where an 80,000 h.p. machine will start pumping energy into Vancouver in the fall of 1952, is the chief item in the electrical budget ($4 million). Nearly $2 million has been allotted to complete the 70,000 h.p. generating unit at Lake Buntzen No. 1 plant for service next fall.

Other major projects for 1951 include:

1. Completion of Sperling Substation initial stages;
2. Completion of two new substations at Surrey and Burnaby;
3. Additional substation capacity to provide direct current for transit;
4. Additional capacity at Horne-Payne and Burnaby and in North and West Vancouver;
5. Expansion and reinforcement of distribution systems in Greater Vancouver and Fraser Valley and equipping of systems in the Fraser Canyon and Pemberton Valley;
6. Construction of two high-voltage transmission lines, one linking Jones Lake and the substation in Surrey and the other linking Buntzen No. 1 hydro plant to North Road substation; and three 60,000-volt circuits connecting North Road substation to Horne-Payne, North Vancouver substation to Capilano and Burnaby to Kidd substation.
7. Various improvements to Vancouver Island generating stations, Victoria-Nanaimo transmission line and the distribution system.

A total of $5.3 million will be spent to improve transport facilities, which will keep the transit progress program going full blast in Vancouver. Some 55 new trolley buses will be placed in service; new facilities built along the lines of service; more trolley overhead to continue the change-over from rail to rubber, and three small terminals and one large one will be completed in the Fraser Valley and New Westminster, respectively.

Gas and miscellaneous construction will absorb $2 2 million and will be spent entirely for gas plant improvements in Vancouver and Victoria and for extension and rehabilitation of distribution systems there.

Rate Increase Granted NSLP

MONTREAL (Staff) — Nova Scotia Light & Power Co.'s application for a rate increase, hearings on which were held in September, has been granted. Expected to boost annual revenues by $575,000, the new charges mean a 19% increase in the Halifax area.

The new rates are approved by the Board of Public Utilities on all bills on and after Dec. 1, 1950, except for rules and regulations relating to street lighting, effective from Jan. 1, 1951.

The company, largest public utility operator in Nova Scotia, provides gas and transport services in the Halifax area. Directly and through subsidiaries, it supplies electric service to about half N. S. electric consumers.

It submitted that future revenues at the old rates would not pay additional costs of operation and provide a reasonable return on capital, and that gross revenue would have to be boosted by $575,000 annually.

In its decision, the Board reported that "to continue the present rates would result in a return to the applicant which would be inadequate, or in the language of the Statute, not just and reasonable."

In 1949, consolidated gross revenues totaled $6,492,834, against 1948's $5,898,508. Higher depreciation and operating costs, however, cut consolidated net profit to $509,247 ($757,297).

Hearings on rate increase application by the wholly owned Avon River Power Co. were held Sept. 13 but no decision has been handed down.

To Deepen Shaft At Upper Canada

Extension of the No. 1 shaft from its present bottom at 1,750 ft. to a new depth objective of 2,750 ft. is planned by Upper Canada Mines, with actual sinking expected to start by the turn of the year, President R. R. Brown states.

Eight new levels will be opened at 125-ft. intervals to mine the "L" structure to greater depth.

While the shaft is of three-compartment size to 1,750 ft., President Brown reports that four compartments will be installed from 1,750 ft. to 2,750 ft. to speed up future delivery of ore from proposed new levels.

The mill is currently operating at its maximum recovery limit of approximately 400 tons daily and plans are still being carried forward for future milling expansion, he states.

Dom. Magnesium Not Negotiating

No negotiations are presently pending with the United States Government with respect to a royalty for use of the Pidgeon process, Dominion Magnesium Ltd. states. Reports that such negotiations were proceeding have appeared in a number of publications but not in The Financial Post.

The text of the company's statement reads as follows:

"The directors of Dominion Magnesium Ltd. announce that there are no negotiations presently pending with the United States Government with respect to a royalty for the use of the Pidgeon process and that failure to deny any particular press report, broker's newsletter or rumor concerning the company's affairs does not mean that the board affirms the truth thereof."

Industrial Accidents Decrease in Ontario

Serious industrial accidents in Ontario showed a substantial reduction in number during the first ten months of 1950, reports R. G. D. Anderson, general manager of Industrial Accident Prevention Associations.

During that period there were 2,800 fewer serious accidents than in the same period of 1949 among the 17,000 firms, members of IAPA, a decrease of 15% in accidents involving lost time of seven days or more.

Results of the "No Accident" campaign conducted throughout October show "fine improvement" over October, 1949, according to Mr. Anderson. The number of seven-day-and-over accidents was 1,534, (1,801 a year ago).

Handling objects and falls have caused half of the 16,064 long-absence accidents reported to IAPA so far this year, it is stated. Mechanical causes have accounted for one such accident out of five.

Stock Dividend For Anglo-Nfld.

MONTREAL (Staff) — Anglo-Newfoundland Development Co. shareholders have approved capitalization of the company's earned surplus through issue of a 200% stock dividend.

Present outstanding 1,832,805 $5 par shares will be increased in number to 5,498,415, and the authorized from three millions to six millions.

Stock dividend is payable Dec. 22 to holders of record Dec. 7. A special cash dividend of $2 a share is payable under the plan on Dec. 20 to holders of record Nov. 27.

Why Difficult To Free Surplus In New Act?

Why did the government make so complicated the procedure for paying out to shareholders undistributed income capitalized under Section 95A of the Income Tax Act? Why did it not allow the privilege of distributing tax free dividends in cash once the 15% tax was paid? (as did Part XVIII of the Income War Tax Act, enacted in 1946, following the recommendations of the Ives Commission).

One official answer was given in an address on "Development of the Corporation Income Tax Act in Canada" by J. Harvey Perry, Department of Finance, Ottawa, to the Canadian Tax Foundation conference in Toronto this week.

Referring to the new mechanism and to the fact that under Part XVIII payment of the tax carried the privilege of distributing tax-free dividends, Mr. Perry said:

"This change in procedure was due primarily to the problem of segregating—ad infinitum—dividends which carried the 10% income tax credit and those which did not carry the credit i.e. the tax-paid dividends. This difficulty promised enough complications for both the administration and the taxpayers to bar the dividend route under the new plan."

(Most common method of distribution under the new plan is through redeemable preferred stock, The Financial Post, Nov. 18).

Section 95A (which permits private companies as defined to pay a tax of 15% on their undistributed earnings and then to capitalize such earnings) is already producing a revenue of about $5 million a month, Mr. Perry revealed. "Undoubtedly this flow will not continue indefinitely but it may go on for some months yet," he added.

Pointing out that this "daring and novel experiment" to provide a permanent solution to the undistributed income problem was not launched without very serious consideration of its general implication, Mr. Perry said:

"In going forward with his bold move Mr. Abbott must have had in mind that of granting the 10% dividend credit, with the promise of increasing the credit in future years, the government has already embarked on a path which it hoped would ultimately bring an end to double taxation. Here, in connection with undistributed surpluses, however, was double taxation in its most flagrant and destructive form, striking at the very roots of a feature of the Canadian economy that had contributed greatly to its strength—the family business. There was every justification, therefore, for making greater haste in this special case than might be possible generally.

"Furthermore one must indeed be flinty-hearted to seriously argue that total taxes which, including the Ontario and Quebec 7%, the Dominion 38%, and the new 15% rate, now total 60%, are not enough. Add to this that the capitalization route means sacrificing the 10% dividend credit, and also that actual cash withdrawals from closely-held companies are probably made as often as not for paying succession duties on the estate of a principal shareholder, and the total tax load takes on pretty sizeable proportions.

"Mr. Abbott undoubtedly also had in mind that while the 15% rate was in one sense a commutation of the personal income tax otherwise payable, in actual fact this new rate would mean not a loss of revenue but, in most cases, a clear net gain. It is no secret that in many instances the government was just not collecting any revenue at all on undistributed income of certain corporations because of the use of the device of the sale or other means of liquidation . . . To our knowledge in the Department there has not been one voice raised in anything but praise for this whole program."

Siscoe Plans Feb. Output From Vermiculite Deposit

MONTREAL (Staff) — Initial production from Canada's first commercial deposit of vermiculite —a decomposed mica with what looks like a bright future as a building and insulating material —is planned for next February by Siscoe Gold Mines. For all of 1951, a total production of 25,000-50,000 tons is hoped for.

Announcement of the discovery of the deposits by the Federal Government in mid-November was followed with fast action by Siscoe. Through its subsidiary, Suzorite Co. of Ontario, and by a royalty agreement, the company tied up all the main showings.

The deposit, at Stanleyville, near Perth, Ont., occurs in a ridge 40 ft. high, a third of a mile long and 150-300 ft. wide. While much work is needed before any accurate estimate of ore tonnage can be made, random pits to 7-ft. depth and visual evidence have led to preliminary estimates of 300,000 tons. This may be boosted very substantially after further investigation.

Special Properties

Importance of vermiculite lies in its properties: it is very light, fireproof, vermin and rotproof, sound absorbent and heat reflecting. Present main uses are, alone, as a loose fill insulating agent or, used instead of sand, as a mixing aggregate with gypsum or Portland cement to form plaster or concrete. Vermiculite plaster and concrete weigh substantially less, are much more fireproof, waterproof and sound absorbent. Big savings in construction costs are possible, both through savings in other building materials and through cuts in the weight of plaster and concrete, which means small amounts of steel needed for support. Many large U. S. buildings have used the material extensively.

Up to now, the only important world sources of supply have been Libya, Montana and South Africa. Indeed, Siscoe has been importing it from South Africa and processing it in its $200,000 milling and producing plant at Cornwall. Costs of transporting ore for such a distance to be processed are very large and Siscoe feels that, with the new deposits, it stands in an enviable position to tap the Eastern U. S. markets. And even as far west as Chicago, in addition to the Canadian market. For instance, ore F.O.B. South Africa is $18 a ton, but adding freight charges, the laid down cost in Cornwall is $30 a ton. Costs of Montana ore are reported to be only very slightly less than this figure (and of a slightly inferior grade).

Siscoe expects to be able to offer the mineral at prices substantially below this.

Mining and Processing

Mining of the new deposits will be open-pit, requiring only steam shovels and a few minor equipment items. To process the ore, and develop its qualities, it is heat-treated in furnaces at about 2,000 degrees. When subjected to this intense heat, the internal moisture content is exploded. This opens up the fine laminations of mica, expanding the ore to about 16-20 times its original size and, in the process, trapping dead air in countless tiny cells.

Due to this expansion process, the ore must be shipped in its native state to processing plants built at various centres as, otherwise, transportation costs would be sky-high. Siscoe, with one plant at Cornwall, has tentative sites selected at Toronto, Hamilton, Winnipeg and Montreal for others. Much ore will be sent to U. S. processing plants.

After processing, it is packed in paper bags for final distribution. Current prices per bag of the finished product are as follows: for the housefill aggregate, $1.20 (14-15 lb.); Plaster aggregate, $1.30 (22-23 lb.); and concrete aggregate, $1.40 (28-32 lb.). The slight variation is due to the differences in weights of the three types.

The Siscoe deposits, which, incidentally, are 100% vermiculite, are reported to be at least equal in quality to the South African ones. These latter are believed to be superior to those in Montana.

U. S. production of the mineral has increased sharply in the last few years: 1935, 7,000 tons; 1940, 22,300 tons; 1945, 64,800; and 1949, "well over 200,000 tons." South Africa, which is a relative newcomer to the field, produced 23,364 tons in 1949 and 13,000 in the first quarter of this year.

Ogilvie Mills' First Quarter Business Higher

MONTREAL (Staff) — Domestic and export business of Ogilvie Flour Mills in the first three months of the current fiscal year were at higher levels than in the corresponding 1949 period, President G. A. Morris told shareholders at the annual meeting last week.

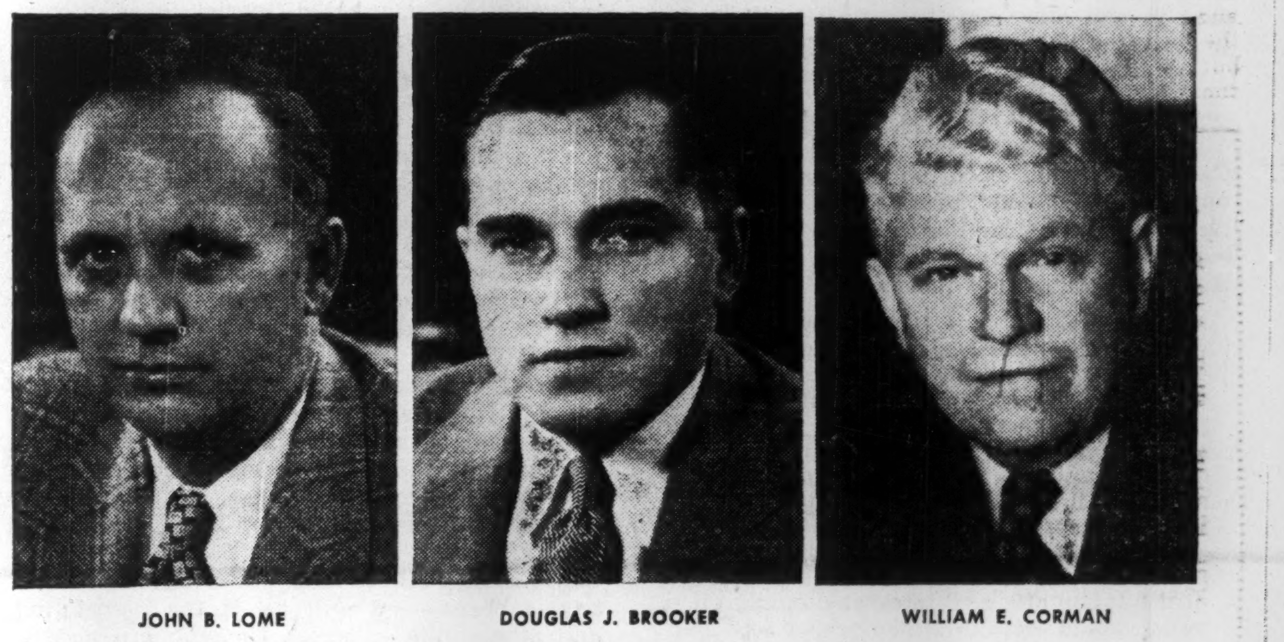
There's reason for moderate optimism regarding the current year, he said, despite international developments. Improved first quarter business and resultant higher operating profits were achieved in the face of continued strong competition, he noted.

The company is now in the best position, from an operational viewpoint, in its history, he said.

Net profit in the fiscal year ended Aug. 31, 1950 was $802,399 ($786,234 the year before), equal to $1.10 ($1.08) per common share. Investment income and dividends plus net profit on investments sold in the fiscal year just ended amounted to more than $1.1 million.

FRED B. BROWN

National Trust Company, Limited announces the appointment of Fred B. Brown to its British Columbia Advisory Board. Mr. Brown is President of Deeks-McBride Ltd., Holmes & Wilson Trucking Co. Ltd., and Vanwest Logging Co. Ltd.; Vice-President of Straits Towing Ltd. and Pacific Salvage Ltd., and a Director of Canadian Collieries (Dunsmuir) Ltd., and Capilano Timber Co. Ltd. *



JOHN B. LOME | DOUGLAS J. BROOKER | WILLIAM E. CORMAN

Mr. John B. Lome, President of Aero Tool Works Limited and Lome Airways Limited, and Mr. William E. Corman, President of Corman Engineering Company Limited, announce the amalgamation of Aero Tool Works Limited and Corman Engineering Company Limited. Both companies will continue to operate with present names, policies and staffs. Officers of both Companies are J. B. Lome, President; D. J. Brooker, Vice-President; W. E. Corman, Director. *

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NEW ISSUE

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To be dated January 2, 1951 — To mature January 2, 1981

Principal and semi-annual interest (January 2nd and July 2nd) payable in lawful money of Canada at the holder's option at the principal office of the Company's bankers in the Cities of Montreal, Toronto or Winnipeg. Coupon Bonds, registerable as to principal only, in the denomination of One Thousand Dollars ($1,000) each and Fully Registered Bonds in the denomination of One Thousand Dollars ($1,000) each and authorized multiples thereof. Redeemable prior to maturity at the option of the Company on not less than 30 days' notice, in whole at any time, or in part from time to time, at $105.50 for each $100 principal amount if redeemed on or before January 2, 1952; thereafter at $105.35 if redeemed on or before January 2, 1953; thereafter at $105.20 if redeemed on or before January 2, 1954, and so on, the premium decreasing 15c each year, together in each case with interest on said principal amount accrued and unpaid to the date fixed for redemption.

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In the opinion of Counsel, these Bonds will be investments in which, pursuant to The Canadian and British Insurance Companies Act, 1932 (Dominion) as amended, companies registered under said Act may invest their funds.

We offer, as principals, the 3 3/8% First Mortgage Bonds, Series "D", if, as and when issued and received by us, and subject to the approval of all legal matters on behalf of the Company by E. R. Parkins, K.C., who will also act as our Counsel.

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Crazy and Costly

It is to be hoped British Columbia reports that the Government there is going to stop trying to run the oil business, are correct.

This scheme to control the price of gasoline and the number of service station outlets was adopted in 1939. It is a piece of economic silliness that should be repealed, as reports now say will be done when legislature meets in the late winter.

No government can overcome the fact that the price of gasoline is determined by world crude prices and the cost of freighting it to market. No government has a nickel's worth of sound judgment as to how many gasoline outlets are required.

In such a highly competitive field as gasoline selling, competition can be depended upon to protect the public interest and, clearly, government cannot be trusted to do so.

Actually, of course, this kind of government control defeats the public interest because it restricts competition and because it discourages oil companies from going into the province with millions for new refinery and other equipment.

Nova Scotia tried the same foolish legislation 16 years ago and finally killed it off just this year. All parties were glad to get rid of the oil control problem. Under the Nova Scotia formula for setting the local price, gasoline would have been more expensive had control continued than it is today with no control.

British Columbia should follow the Nova Scotia leads. It won't serve its citizens' interests by retaining control. It is the only jurisdiction in North America where this particular kind of economic nonsense still prevails.

Europe Not Asia

Published statements about the success or lack of it in the Truman-Attlee talks are not very satisfactory. For what actually happened, for what degree of agreement or disagreement there was, we may have long to wait.

But it is to be hoped Attlee & Co. has some success in emphasizing the warning that Europe is naked and that it is Europe, not Asia, that is America's primary interest; also, to use Clemenceau's phrase, that war is too serious a business to be left to the generals.

There was good reading for Washington and for the Americans generally in a recent New York Times magazine. Nathaniel Peffer, professor of international relations at Columbia demonstrated conclusively that Europe, not Asia, must be America's first concern, both for economic and strategic reasons; that the opposite view widely held at the time of Pearl Harbor, for instance, makes no sense whatever.

Peffer says: "A great deal of the partisanship of all out efforts for Asia is a disguised or oblique isolationism. Many of those who would let France go to save Formosa do not care so much about either as they do about letting the rest of the world 'stew in its own juice.'"

The fate of Asia is, of course, important. But while the forces of freedom remain so weak temporary withdrawals and temporary loss of face in one area may be infinitely preferable to inviting total war immediately.

We Need More Manpower

Fresh argument for a well thought-out Canadian immigration policy has been given by Stanley M. Wedd, president of the Canadian Bank of Commerce. Emphasizing the need for enlargement of the labor force, he told the bank's recent annual meeting:

> "The labor force is at peak levels. In fact in some areas there is developing a shortage of employable persons, and this at a time when we are embarking on an armament program of some magnitude and are already engaged in important development of our natural resources. It would seem, therefore, to be a real matter of urgency that the labor force be expanded; and since this can be done only to a limited extent from the manpower resources now available, the immediate implementation of a well-integrated immigration policy would seem to be the proper solution."

Exploitation of iron deposits in Quebec, hydro-electric development in Ontario, increased oil and gas production in Alberta and Saskatchewan, likely aluminum processing in British Columbia and all the associated expansion of rail, harbor and pipeline facilities will add greatly to our needs in manpower.

Ottawa plans to bring in about 150,000 immigrants a year. Considering the difficulty of housing these people and placing them in jobs they are suited for, the federal program is a substantial one. Getting people to come to Canada is not so easy as it once was. There is no longer the lure of free land that brought so many to this country after the turn of the century. Moreover the kind of people we would prefer to have come to Canada, are often the very ones, European nations are most reluctant to lose. If Ottawa is successful in attracting the immigration now planned and the country is successful in really assimilating it, then that new growth will prove very much worth while.

Please Send Samples

Some new light is thrown on Russian trading practices in the current trade letter of G. E. Govier & Co., a Canadian wholesale seed grower.

After the war Moscow took advantage of the cordial relations then existing with recent allies to circulate rumors of pending large seed orders. The trade throughout the democratic world was invited to send samples of improved seed to Russia. Like the children of a previous generation at the big exhibitions, the call was for as many samples as possible and the bigger the better.

Not many real orders developed but unsuspecting seedsmen, according to Govier, submitted a splendid and generous selection of first-rate stocks.

Instead of being tested and set aside as a standard against which to judge later orders, as is the usual custom, samples were carefully planted by the Russians and in a few years multiplied to substantial commercial lots of seed vastly superior to any obtainable from native sources. In more ways than one this proved a cheap method of securing a new and improved seed supply.

Federal Licensing of Professions?

Alberta proposes to take away professional associations' right to decide who may practise in that province. Government will take over licensing early in 1951.

Whatever the ultimate merits of this scheme, it's already done some good.

It has focused attention on the fact that, in so far as the professions are concerned, Canada is 10 countries, not one.

There may be some excuse in the case of the legal profession in Quebec. The body of civil law in that province is unique.

But what about the other professions?

Measles are measles, whether they occur in New Brunswick or British Columbia, and require the same care. Two and two make four in Newfoundland as readily as Ontario. And the same formula can be employed to design a rivet in Manitoba as in Nova Scotia.

Why shouldn't all doctors, accountants, engineers and other professional workers be licensed on a national basis, have freedom to move around, practise where they like?

Canada would benefit from domestic free-trade in talent.

National licensing of the professions needs to be placed on the agenda of the current Dominion-provincial conference. Under the B.N.A. Act the provinces have jurisdiction in the matter.

A national licensing body for each profession, controlled by that profession, but with safeguards provided by representation from the Federal Government and universities, is needed in the public interest, to say nothing of that of the members of the professions themselves.

Hit It Still Harder

The pictorial chart on this page, shows how Canadians are winning the battle against tuberculosis.

This progress is heartening. But we must not lose sight of the fact that TB is still the No. 1 killer among infectious diseases. The number of deaths last year from tuberculosis was just over 4,000. This compares with about 2,400 deaths from other infectious diseases such as influenza, polio, typhoid, scarlet fever, meningitis, and diphtheria.

Cancer and circulatory diseases top TB, but the effectiveness of action that can be taken against them is more limited. In TB we have a foe we can eliminate if we just put forth the effort.

The antituberculosis organizations across the country are the spearhead of this annihilation drive. Their X-ray surveys not only detect persons suffering from this disease early enough to save their lives, but by detecting them protect others from infection. Particularly shocking is the fact that in Toronto the survey of the National Sanitarium Association has found twice as much TB among food handlers—restaurant and other eating place employees—as among any other class. Of course, the survey concentrates heavily on these people (Toronto law requires them to take examinations). But TB should be especially scarce among them—and will be if the association, and others like it across Canada, are able to continue and expand their work.

This is a Serious Loss

Another Canadian popular magazine has been forced to suspend publication. The demise of the National Home Monthly last week, narrows this important literary field to seriously slim proportions for a country of 13 millions.

The disappearance of National Home Monthly, after over 50 years of continuous publication, will be a serious blow to those who realize the importance of a national literature and point of view in the development of any independent and democratic country.

The special difficulties confronting the magazine publisher in Canada were clearly set forth in a statement by D. A. Thompson, publisher of National Home Monthly. He said:

> "A further factor has been the competition of U. S. publications of undoubted editorial interest made possible by high circulation and an unlimited field of advertising revenue. This competition has been aggravated in recent years by the entry of some of these publications into the Canadian advertising field through publication of so-called Canadian editions."

Recently National Home Monthly has been losing in excess of a quarter of a million dollars a year. That is a loss which only the strongest publishing house could expect to stand, even temporarily. It doesn't follow, of course, that all magazines lose that much money, but the difficulties of National Home Monthly point up the odds against which Canadian magazine publishers have to fight and the excellent public service performed by the publisher of a good and genuinely Canadian magazine in Canada.

Time to Face This Pressure

It is time for a stronger brake on inflation. This is the warning given by H. L. Enman, president of the Bank of Nova Scotia.

"We have had enough depreciation in the value of our money in the past decade," he told the bank's annual meeting. "A gradual increase in the price level over a long period may be conducive to economic expansion. But when the price level has nearly doubled in 10 years and when we now find ourselves up against new and perhaps long continuing inflationary pressures, it is time to face the problem squarely."

Recent government action in curtailing credit buying and increasing certain taxes, Mr. Enman thinks, may provide some temporary restraint. But he expects the general demand for goods and services to expand and, as he points out, with our productive plant already running near capacity, and defense work almost certain to increase, it won't take much buying pressure to push inflation further.

Mr. Enman suggests two ways of correction: (1) tax and monetary policies of a restraining character; (2) a greater willingness of the people to save. He draws this conclusion: "We may before long have to choose between more inflation and more taxes. Nobody likes this kind of alternative, but to avoid facing it might well be to choose inflation by default."

Napier Moore's Scratch Pad

IRISH-BORN FRANK HOGAN has been head of Imperial Oil's Asphalt Department so long that nobody remembers when he wasn't. Now Frank is retiring and last week his colleagues tendered him a dinner. A friend of ours tells us it was a memorable evening, highlighted by a hilarious speech from another son of Erin, Thomas Mayne (Pat) Reid, renowned as a bush flyer and now head of Imperial's aviation sales department.

To demonstrate the ages-long devotion of the Hogans for the Reids and the Reids for the Hogans, Pat took his listeners back to "those happy days in Ireland when free enterprise reigned supreme and there was an open season for competitors all the year round."

One dark night, he said, while the Hogans and their reception committee were waiting for the Reids by cross roads in County Tipperary, a Hogan briefed his crew thusly: "When they come round the corner, you, Mike, let them have it with the shot gun, and then, just in case of accident, you, Larry, throw the bombs. And I'll hop over the ditch and finish them off with the shillelagh."

The Reids were delayed that night to a point where Hogan's impatience got the better of him and he said, "By jeepers, they're late. I do hope nothing has happened to the poor boys."

Somewhat sadly Pat went on to say that "Like all good things however, the good old days in Ireland came to an end and a series of calamities followed in their wake. Law and order were established, shooting policemen and making pot still whiskey were banned, and the whole country was over-run with Englishmen, banshees, competitors, the potato blight and jobbers."

* * *

Dr. E. A. CORBETT, of the Canadian Association for Adult Education, knows this land from end to end and is one of the best raconteurs we know. It would be well nigh impossible for us to think of any Canadian subject that would fail to remind Ed of some rich experience.

Lunching with him one day last week, the conversation turned to the state of the Drama in Canada. In no time at all Ed had us up in the Lesser Slave Lake country.

It happened in 1921 when Corbett was head of the Extension Department of the University of Alberta. Between Edmonton and Grande Prairie there was a small farming settlement of some 30 families. Most of them had come from England. In a social and cultural sense, leading spirit in the district was a graduate of Oxford turned homesteader. Inspired by his enthusiasm, the settlers had had a building bee and constructed a log community hall. Now they were going to produce a play. And Doctor Corbett was invited to attend the performance.

Corbett went. He got off the train at 4 a.m. The porter opened the door but did not venture down the steps, explaining that this was a pretty wild spot and he was a'sceered of bears. There was no station. Nor was anybody there to meet the distinguished patron of the arts. It was a bitterly cold, black night. Corbett didn't know which way to walk. He decided to stay put. At the side of the track were piled some old railway ties. He gathered twigs from the bush for kindling and using the ties for fuel got a roaring fire going. Two hours later his host arrived, full of apologies. Exhausted by a dress rehearsal, he'd overslept.

Walking to the settlement of scattered houses, Corbett asked what the play was. He nearly collapsed when the reply came — "Macbeth." The Oxford man had sold the idea and directed the play. Moreover, he had generated much enthusiasm. The folks had made all their own costumes out of sacking and odds and ends. They were reciting their lines as they went about their daily chores.

This was confirmed as, during the day, Corbett visited about the settlement. A normally benign housewife, who was to be one of the witches, stood at the kitchen stove stirring the family soup and with a sinister chuckle muttered "Round about the cauldron go, In the poison'd entrails throw." And in a shed a farmer intoned as he sharpened a knife, "Is this a dagger which I see before me?" and "On thy blade and dudgeon gouts of blood."

That night, Corbett was about the only adult in the audience, everybody else being on the stage. As to the performance, he was noncommittal. The dried peas, he did say, were excellent. Two nail kegs full of them were swished around to create the effect of wind and rain. "It was the best storm I ever heard," said Ed.

* * *

WE READ in Canadian Automotive Trade that a California car dealer is reported to be stimulating sales by throwing in free $28 worth of groceries with each sale. He says they fit nicely into the glove compartpartment.

Stop Me If —

A man fell into a coma, and it was several days before he awoke. Later he spoke of his experience to a party of friends.

"I knew all the time what was going on," he said, "and I also knew that I wasn't dead, because my feet were cold and I was hungry."

"I see," said one of his friends, thoughtfully; "but how did that make you think you were still alive?"

"Well," answered the man, "I knew that if I were in Heaven I wouldn't be hungry, and that if I were anywhere else my feet wouldn't be cold."

Post Scripts

Success Story

Frank H. Keefe, recently appointed general manager of the western region of the Canadian National Railways, is one of the success stories of western railroading. By ability and industry he has worked his way from call boy to the operating head of the system's 12,000 miles of main line track between Lake Superior and the Pacific, directing work of 38,000 employees, about 1,000 for each year of his service with the Canadian National.

MR. KEEFE

Mr. Keefe is a bluff and genial man who might be spotted as a railroader by those who didn't know him. He was born in the village of Roosevelt, Minnesota, population less than 500, which is located on the Winnipeg-Port Arthur line of the Canadian National which takes a short cut through Northern Minnesota.

In his native village he started his railway career as sort of assistant to the station agent who really didn't need any assistance.

Reading so much about the new and growing country of Canada, young Keefe wanted to get into it. The migration involved a journey of only a few miles and in 1913 he made it. Once in Canada his first job was call boy at a divisional point, his duties being to rouse the freight train crews. For a 12-hour day and a 7-day week he was paid $45 a month. He managed to squeeze in an extra two hours a day to learn telegraphy.

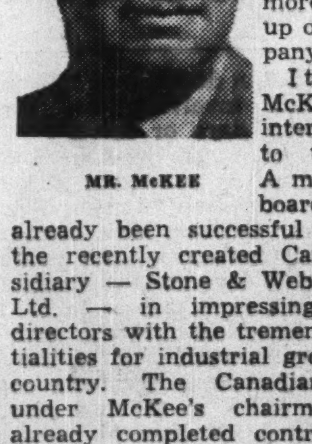
Nearly all his 38 years of railroading has been in Western Canada. He moved up from assistant station agent to operator to train dispatcher, and then came a string of positions as superintendent of western divisions. His big year was 1948 trying to keep the Fraser Valley right of way clear of snow and slides. A heavy winter's work was followed by disastrous floods. A couple of Vancouver newspapermen assigned to report on what the railways were doing to keep the lines open nearly got lost in the slides.

No product of a railroading family himself, Mr. Keefe has three railroaders in his family. One son is assistant superintendent at Winnipeg. Another is a telegrapher on the Canadian National and a son-in-law is in the yard service department at New Westminster, B.C.

* * *

He Will Interpret Canada

Appointment of John W. McKee to the board of directors of the world's largest engineering corporation — Stone & Webster Inc., Boston — is not only a signal honor for the well-known Toronto businessman, but a compliment for Canadian business in general. Number of Canadians currently serving on boards of directors of large U. S. corporations wouldn't much more than make up one full company directorate.



MR. McKEE

It will be McKee's job to interpret Canada to the 12-man American board. He has already been successful as head of the recently created Canadian subsidiary — Stone & Webster Canada Ltd. — in impressing American directors with the tremendous potentialities for industrial growth in this country. The Canadian company under McKee's chairmanship has already completed contracts for 10 large-scale projects since September of this year. A number of other contracts are in the negotiation stage.

Affable, 52-year-old McKee has wide business experience serving on the boards of various industrial and community organizations. He is president of the Dodd's Medicine Co., a director of Canadian Oil Cos., a member of the advisory board of the Royal Trust Co. For the last 13 years he has been a director of the Royal Winter Fair, the last two years the president.

Increasing business responsibilities haven't been able to take any of the edge off his robust, sun-tanned appearance. Of course a 300-acre farm north of Toronto and a series of summer yachting trips that read like National Geographic stories have been a strong antidote for business cares. McKee is a native Torontonian, attended University Schools, Royal Military College in Kingston and Toronto University where he specialized in mechanical engineering. In the first war he served in the artillery and later in the airforce, in the second war as executive assistant to the Master General of The Ordnance.

* * *

Heads Insurance Association

For the second time in the last few years Herbert Hunter is president of the Association of Superintendents of Insurance for the Provinces of Canada. He was elected at the recent 33rd annual conference in Niagara Falls.

MR. HUNTER

Hunter has been in the Manitoba civil service for 31 years, 17 of which have been with the insurance branch, 12 as superintendent and five as assistant. In this time he has acquired a wide knowledge of insurance, or at least of the type of government supervision which applies to it. He started in the department when he knew nothing about it at all. For 14 years he had been in the public works department, most of the time in the engineering branch. One day his minister asked him if he would like to transfer to the insurance department as assistant superintendent. This was in 1933 when impact of the depression was of nation-wide concern. Hunter felt that he wouldn't have much to say about it anyway especially when told he was marked for the job.

Born in Hull, England, where his father was a grain broker, in his teen years Hunter was in delicate health. He came to western Canada on advice of a doctor, and was told to seek outdoor work. He easily landed a job with the CPR which fitted the medical specifications. Clerk in a pay office, then transferred to the engineering branch and finally to construction jobs, he was still with the railway at outbreak of the first World War.

He enlisted with an army battalion in Winnipeg, went overseas and served in France, was wounded at Passchendaele, invalided to England, and was in a convalescent camp when the war ended.

Returning to civilian life he started work with the Manitoba Government on the staff of the reclamation branch. Until transferred to the insurance department in 1933 he was mainly employed in practical engineering work. During his employment he studied engineering, was admitted to the Association of Professional Engineers.

Frail in physique and in indifferent health when he came to Manitoba in 1904, Hunter says he wasn't a good insurance risk then but he is now. He has never lost his Yorkshire accent nor the slang idioms which he claims he needs when working with his roses. He is an enthusiastic gardener.

What Others Are Saying

Editorial of the Week

Timid Canadian Investors

Vancouver Province

Bankers have repeatedly drawn attention to the tendency among Canadian investors to buy bonds instead of investing in risk securities. Bonds, today, carry a relatively low rate of interest. But that interest is pretty well secured and the investment is safe.

The investor gets what he is looking for — security. But he reaps no profit from the wealth which his money helps create. And he reaps none of this profit because he refuses to take a chance. Apparently he lacks confidence either in himself or in the country.

On the other hand, it is well known that United States capital is coming into Canada in large quantities and is being invested in our oil fields, our mining properties and our industries. Cyrus Eaton, to name only one, has a large investment in the Steep Rock iron field west of Port Arthur. That field has been known for years but it has been left to American capital to examine and develop it.

Bonds have their place in financing enterprises and in investment programs and there is here no desire to disparage them. But Canadians, as residents of great undeveloped resources, should not neglect the opportunities that lie at their door. They should have the courage to take the steps which will give them a share of the wealth being produced. American capital and American people are welcome. They make business and create payrolls. But they also suggest that Canadians should be helping themselves.

Other People's Views

OIL DRILLING RESULTS in Northern Ontario have not proven very encouraging, so consoles the **Port Arthur News-Chronicle,** "The territory will have to get along with its timber, gold, fish, furs and other things."

INEFFICIENT OR INSUFFICIENT testing of motor car drivers is not the only cause of traffic accidents, but, says the **Brantford Expositor,** "it is an important one. For that reason there is need and, in fact, a demand for suitable tightening of the regulations along these lines."

KEEP AFTER the reckless minority of motorists, urges the **Vancouver Sun.** "Traffic experts are agreed that a reckless fifth of all drivers cause practically all accidents. And nearly all the accidents they cause involve traffic violations. Only a continuous police concentration on this irresponsible minority can reduce the peril they create on the streets."

LEADERSHIP IN ECONOMY must come from Ottawa maintains the **Winnipeg Free Press.** "Clearly the first business of all Governments is not to increase but to reduce all non-defense expenditures. Defense and national safety cannot be achieved without individual sacrifice and the Federal Government cannot expect the provinces and their creatures, the municipalities, to economize so that more money may go into defense if it is not willing itself to set an example. The leadership in the difficult transition from an easy peacetime to a hard defense economy must come from Ottawa. It should come with unmistakable clarity."

CAN CANADA build up her military defenses without conscription of manpower. The **Vancouver Province** is doubtful. "Other democracies have the same problem and they are meeting it realistically. They already have, or are introducing, compulsory military training for their young men. They are guaranteeing themselves a continuing reservoir of trained young men, men who can carry on in civilian life after their training but who are ready to fight in a sudden emergency. If Mr. Claxton really means that Canada must remain strong for years, perhaps a generation, he should explain how we are going to do it: He has posed a big problem, but has not hinted at the answer."

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Dec. 16, 1950

Defense Contract Awards Over $5,000 from Ottawa

OTTAWA (Staff)—Defense orders over $5,000 amounting to $3.5 millions were placed by Canadian Commercial Corporation from Nov. 27 to Nov. 30, according to the CCC contract awards announcement. These awards are on only for "unclassified" items; they do not include any items in the "classified" list on which details may be withheld for security reasons.

CANADIAN COMMERCIAL CORPORATION

Contractors awarded business in excess of $5,000, (during the period Nov. 27 to 30, 1950)

Contractor	Commodity	Est. Value
All Steel Bldgs. Ltd., Toronto	temporary deployment magazines	$ 26,114
Associated Sales Agency, Montreal	sheets, pillow cases, blankets	5,423
Associated Textiles of Can., Montreal	nylon cloth	98,400
Aviation Electric Ltd., Montreal	elec. eqpt. and plane accessories	23,331
Barber, F. F., Machinery Co., Toronto	industrial eqpt.	5,406
Beatty Bros., Fergus	folding forms	35,550
Br. American Silk Mills Ltd., Montreal	nylon cloth	36,180
Brandon Packers Ltd., Brandon, Man.	foodstuffs	9,606
Bridge Machinery Co., Montreal	steel bins	7,761
Brockville Co-op. Assoc., Brockville, Ont.	foodstuffs	9,030
Bruck Silk Mills, Montreal	nylon cloth	224,580
Burns & Co., Ottawa	foodstuffs	28,479
Burns & Co., Winnipeg	foodstuffs	25,921
Can. Hair Cloth Ltd., St. Catharines	canvas	25,134
Can. Packers Ltd., Halifax	foodstuffs	22,590
Can. Packers, Ottawa	foodstuffs	9,676
Can. Packers, St. Boniface, Man.	foodstuffs	7,312
Can. Packers, Toronto	foodstuffs	82,641
Can. West Shoe Mfg. Co., Winnipeg	boots	70,049
Cdn. Canners Ltd., Hamilton	foodstuffs	7,157
Cdn. Dressed Meats Ltd., Toronto	foodstuffs	25,527
Cdn. Fairbanks Morse Co., Ottawa	instruments and truck mops	6,841
Cdn. Furnishings Co., Montreal	table linen	27,170
Cdn. Ingersoll Rand Co., Montreal	industrial eqpt.	7,500
Cdn. Marconi Co., Montreal	communication eqpt.	5,951
Cdn. Nat. Institute Blind, Toronto	corn brooms	5,700
Clouthier, L., & Sons, Petawawa, Ont.	cutting and hauling logs	8,400
Cobourg Flooring & Roofing Co., Cobourg, Ont.	building repairs	35,397
Commonwealth Construction Co., Winnipeg	construction	20,600
Coppley Noyes & Randall Ltd., Hamilton	uniforms	91,170
Crothers, Geo. W., Ltd., Toronto	automotive spare parts	406,366
Crystal Glass & Plastics Ltd., Toronto	cellulose acetate sheets	6,411
Cutter Laboratories Int., Toronto	medical supplies	13,875
DeHavilland Aircraft of Can., Toronto	aircraft parts, accessories	11,040
Dental Co. of Can., Toronto	dental supplies	7,930
Dom. Rubber Co., Montreal	footwear	14,590
Dowty Eqpt. of Can., Ajax, Ont.	aircraft parts and accessories	6,415
Eastern Farm Products Co., Montreal	foodstuffs	7,460
Edmonton Produce Co., Edmonton	foodstuffs	5,806
Export Packers Ltd., Toronto	foodstuffs	23,906
Fair, R. J., Food Eqpt. Ltd., Toronto	kitchen eqpt.	17,549
Fearman, F. W., Co., Hamilton	foodstuffs	22,967
Field, J. G., & Son, Tavistock, Ont.	socks	95,749
First Co-op. Packers of Ont., Barrie	foodstuffs	28,150
Footwear Findings of Can., Cowansville, Que.	footwear	9,722
Four Wheel Drive Auto Co., Kitchener	auto. eqpt., spare parts	18,856
General Refrigeration Engr., Vancouver	repair'g air conditioning	6,185
Gould Storage Battery Ltd., Toronto	batteries	20,064
Granger Freres Ltd., Montreal	blackboards and brushes	15,543
Guildfords Ltd., Halifax	insulation of ships	6,390
Haughs Products Ltd., Toronto	barrier material	8,969
Hicks Lumber & Supply Co., Picton, Ont.	lumber and bldg. sup.	5,608
Hunnisett, Frank, Ltd., Toronto	foodstuffs	22,630
Levy Auto Parts Co., Toronto	automotive parts and accessories	17,594
Manitoba Dairy & Poultry Co-op., Winnipeg	foodstuffs	16,072
Marshalls Co., Toronto	foodstuffs	9,243
Marwell Construction Co., Vancouver	construction	619,792
Model Dairies, Calgary	foodstuffs	6,660
Morantz Beef Co., Montreal	foodstuffs	6,704
Muir Cap & Regalia Ltd., Toronto	badges	5,012
Northern Electric Co., Ottawa	communications and elec. eqpt.	7,186
Ontario Hughes Owens Co., Ottawa	instruments	385,097
Pedlar People Ltd., Oshawa, Ont.	steel bins	20,753
Piercey Supplies Ltd., Halifax	lumber and bldg. supplies	6,517
Quest Metal Works Ltd., Vancouver	ranges and bake ovens	8,546
Railway & Power Engr. Corp., Montreal	aircraft parts	25,679
RCA Victor Co., Ottawa	communications eqpt.	7,720
Riverside Silk Mills Ltd., Galt	nylon cloth	132,000
Royal Metal Mfg. Co., Preston	furniture	52,710
Rudel Machinery Co., Montreal	industrial eqpt.	9,074
Russel Hipwell Engines Ltd., Owen Sound	engines	38,919
Sheridan Eqpt. Co., Toronto	industrial eqpt.	9,282
St. Johns Textile Mills, St. Johns, Que.	woolen cloth	113,834
Standard Tube Co., Woodstock, Ont.	ladders and work benches	9,163
Swift Cdn. Co., Moncton	foodstuffs	47,558
Swift Cdn. Co., Toronto	foodstuffs	11,898
Thomson Groceries Ltd., Toronto	foodstuffs	12,422
Trent, Gordon, & Co., Toronto	automotive parts	25,791
Vennat Raoul Enrg., Montreal	badges	6,455
Wabasso Cotton Co., Three Rivers	sheets and pillow slips	91,138
Weaver, F. P., Coal Co., Montreal	coal	6,010
Wheat City Dairy, Brandon	milk	8,144
Windsor, J. W., Co., Montreal	food	6,830
Wood, G. H., & Co., Ottawa	paper towel receptacles and brushes	6,838
Wood, Phil, Industries Ltd., Windsor, Ont.	automotive parts	5,658
Yarrows Ltd., Victoria	overhaul repair and parts of vessels	50,047

Scottish Union Group Opens Casualty Dept.

Scottish Union and National Insurance Group has established a casualty department which comes into active operation Jan. 1. The group will be prepared to write manufacturers', contractors' and elevator liability insurance, personal comprehensive liability insurance with medical payments, and premises, property or operations, body injury and property damage insurance; also accident insurance on the automobile, medical reimbursements, form, and plate glass and burglary insurance. Forbes Walker is in charge of the new casualty department.

CIL Explosive Prices Raised; Still Below U.S.

Increased costs of raw materials have caused a general increase in the price of commercial explosives, according to an announcement by Canadian Industries. The increase, which averages 4.4%, took effect Dec. 11.

In announcing the change, CIL officials pointed out that recent substantial increases in the costs of raw materials (glycerine, glycol, cotton lints, box shooks, cartridge paper) and labor have more than offset savings made possible by increased volume and improved manufacturing efficiencies.

While the price of 40% Forcite becomes $15.50 per 100 lb., it is still far below the price of $26 per 100 lb. which prevailed just after the close of World War I.

Prices of explosives increased in the United States Dec. 1 but after allowing for the latest increase, here, explosive prices in Canada are still below those in the United States.

Increased explosive costs will come as a blow to the gold mines which already face sharply increased other costs and curtailed cost-aid benefits in 1951. However, the increasingly precarious situation of the gold mines is under investigation at Ottawa and the increase in the cost of explosives may be taken into consideration.

Dosco Increases Dividend on "B"

MONTREAL (Staff) — A higher quarterly dividend, 38c per share, plus an extra dividend of 37c per share, have been declared by Dominion Steel & Coal Corp. on its class B shares. Both are payable Jan. 12, 1951 to shareholders of record Dec. 22, 1950.

This boosts total 1950 payments on the class B stock to $1.75 per share and President L. A. Forsyth notes that the higher quarterly rate places the B shares "on a regular annual dividend basis of $1.50 per share, against the previous annual rate of $1.00 per share." Previous extra was $1.00 per share paid Jan. 25, 1950.

Inland Shipbuilding Industry Gets Aid In $110 Million Construction Program

OTTAWA (Staff) — Plans are now under way for construction in Canada of ships to the value of $110 millions, according to an announcement last week by Transport Minister Chevier. Of this sum, $86.5 millions is to be spent by government departments. Naval shipbuilding alone involves 27 ships in 12 yards. For the first time in history, steel naval ships are being designed in Canada.

Behind the $23.5 millions of private shipbuilding, one of the important factors, according to Mr. Chevier, is the new and more liberal interpretation policy of the Federal Government of the terms under which escrow money may be used.

Escrow funds to an amount of $31 millions have now been deposited with the Government under the Replacement plan of 1948. Of this amount, $5½ millions has been used to date for conversion of vessels or construction of new tonnage.

The new liberalization policy, The Financial Post is informed, is an easing of the restrictions as between deep sea and Great Lakes construction. Because of the high cost of Canadian-built ocean shipping and the difficulties of operating under Canadian flag, the Government has permitted the assignment and transfer of escrow funds from this type of shipping to inland yards.

This means that Great Lakes builders are able to pick up, at a discount of 5% or 7%, Replacement Funds held on deep sea vessels, and transfer them to Great Lakes account. Allowances run as high as 80% if Canadian engines are used in the new vessels; 60% if engines are imported. This liberalization of escrow, plus accelerated depreciation provided under the Canadian Vessel Construction Act is claimed responsible for some "if not all" of the $23½ millions of shipbuilding now under way in Canada for private account.

Mr. Chevier reports that when final settlement is made in respect to the sale of ships built by the Government and operated by Park Steamship Co. during the last war, approximately $200 millions will have been recovered out of a total expenditure of $270 millions.

Mr. Chevier gave an up-to-date report on operations of the novel transfer plan covering the major portion of the Canadian dry-cargo fleet to United Kingdom registry.

As a result of the plan, Canadian companies still own 159 war-built ships of which 95 have been transferred to the U. K.; 36 are in receipt of subsidies and the remaining 28 are operating under Canadian flag without subsidy.

Equal Terms

Commenting on this plan, Mr. Chevier said:

"The Canadian owners of ships transferred to the U. K. will have every opportunity to participate in trade on equal terms with British vessels. Their agents in England will receive all gross earnings and will make disbursements on their behalf, while the U. K. authorities will permit net profits to be transferred to the Canadian owners in dollars. Another feature is that, although the ships are being registered in the U. K., their ownership remains in Canada. Thus, in the event of an emergency they can either be brought back to Canada or form part of Canada's contribution to the Allied shipping pool.

"Since the coming into operation of the transfer and subsidy plan, the number of Canadian ships laid up steadily declined from the disturbing total of 35 at the end of December, 1949, until by September 25, there was not a single Canadian ship laid up for lack of employment. Had these steps not been taken by the Government there is no doubt that the whole fleet of 159 ships would have been laid up by their owners. I confidently believe that the transfer and subsidy plan has been instrumental in saving the shipping business in Canada, and that it will have the effect of maintaining the nucleus of Canadian shipping considered essential from the point of view of national security."

Mr. Chevier discussed two other developments of importance to Canadian shipping: the expansion and growth of Canadian design and construction, and the proposed new emergency shipping pool now awaiting approval by the North Atlantic Council of Deputies.

Largest Tankers

"Commercial shipbuilding for export was seriously affected by devaluation of the pound, while the ship repairing industry has also suffered, since ships from other countries now have a minimum of repairs carried out in Canadian yards. However, two developments have recently occurred, both of which have had a beneficial effect on shipbuilding in Canada. The first in point of time, if not in order of importance, was the discovery of large reserves of oil in Alberta. Large quantities of this oil will be carried by pipe line from the oil fields to Superior, Wisconsin, where it will be shipped by tanker to refineries in Sarnia. To supplement the present tanker fleet, Canadian yards on the Great Lakes have recently launched the two largest tankers in the world to be operated on inland waters.

"The discovery of vast deposits of iron ore in Labrador has also given an impetus to shipbuilding. Three bulk carriers now under construction in our shipyards will be of tremendous importance to Canada both from an economic and national defense point of view. These ships will be the largest of their kind ever to be built in Canada.

Pooling Plan

"Recently, the North Atlantic Planning Board for Ocean Shipping, an agency established under the North Atlantic Treaty, and of which Canada is a member, met at Washington to discuss ocean shipping. The objective of this board is to control and allocate merchant shipping in time of war. The planning board established what will be known as 'Defense Shipping Authority.' The authority is designed essentially for the allocation of shipping only in wartime and has no bearing upon the peace-time activities of the industry.

"In planning any system of ship operation for wartime emergency in this country, the Government will undoubtedly make the fullest possible use of the established facilities of the shipping industry. Canadian-owned ships which have been transferred to U. K. registry will be considered as a Canadian contribution to any allied shipping pool. In such a pooling arrangement, the Canadian-owned ships on U. K. Registry and those on Canadian Registry would both be considered as part of Canada's contribution."

"I hope that the international situation will not deteriorate to such an extent that it will be necessary to make use of the Defense Shipping Authority. However, should an emergency take place, the machinery has been established and many of the difficulties which had to be ironed out at the beginning of the last World War will have been averted."

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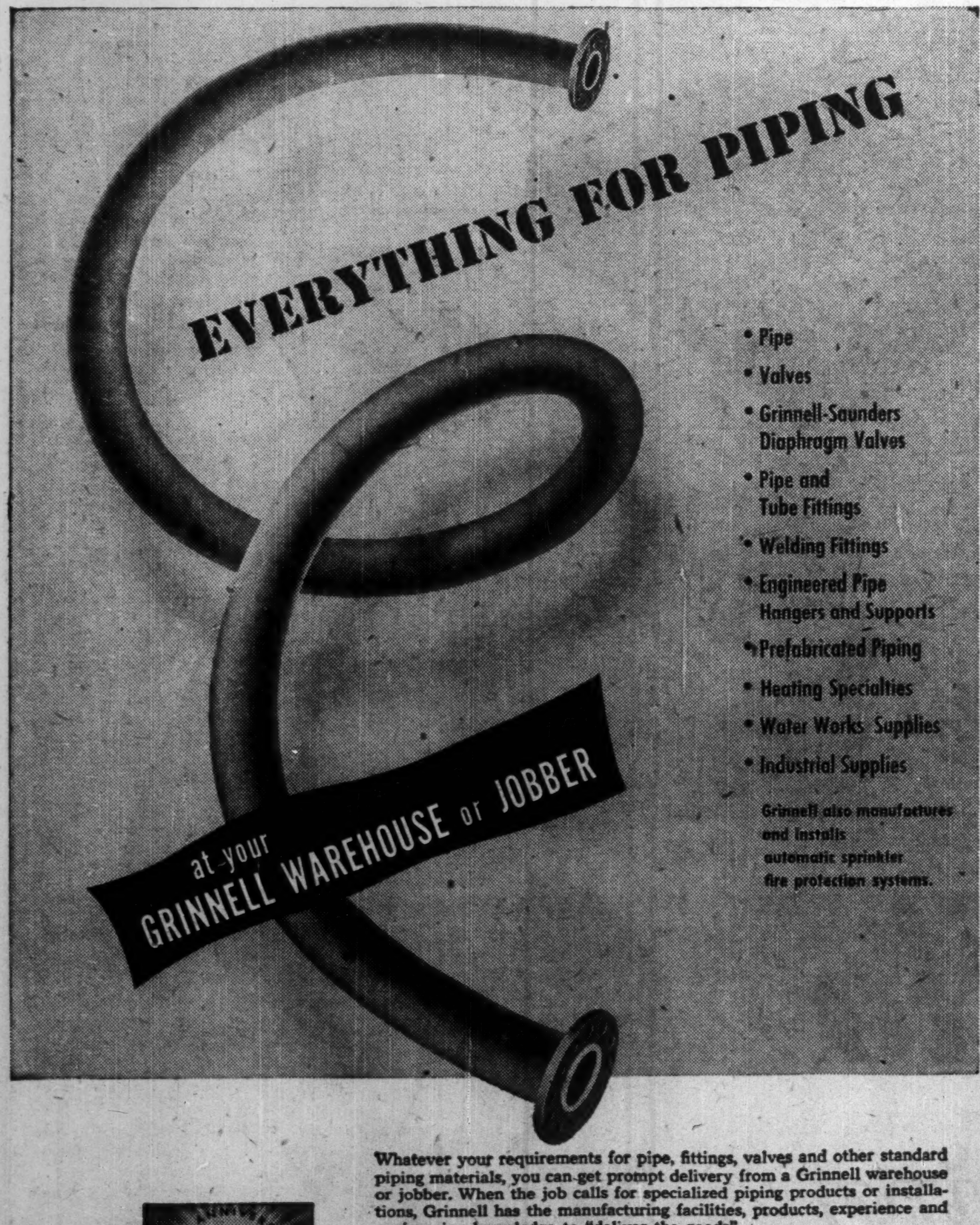

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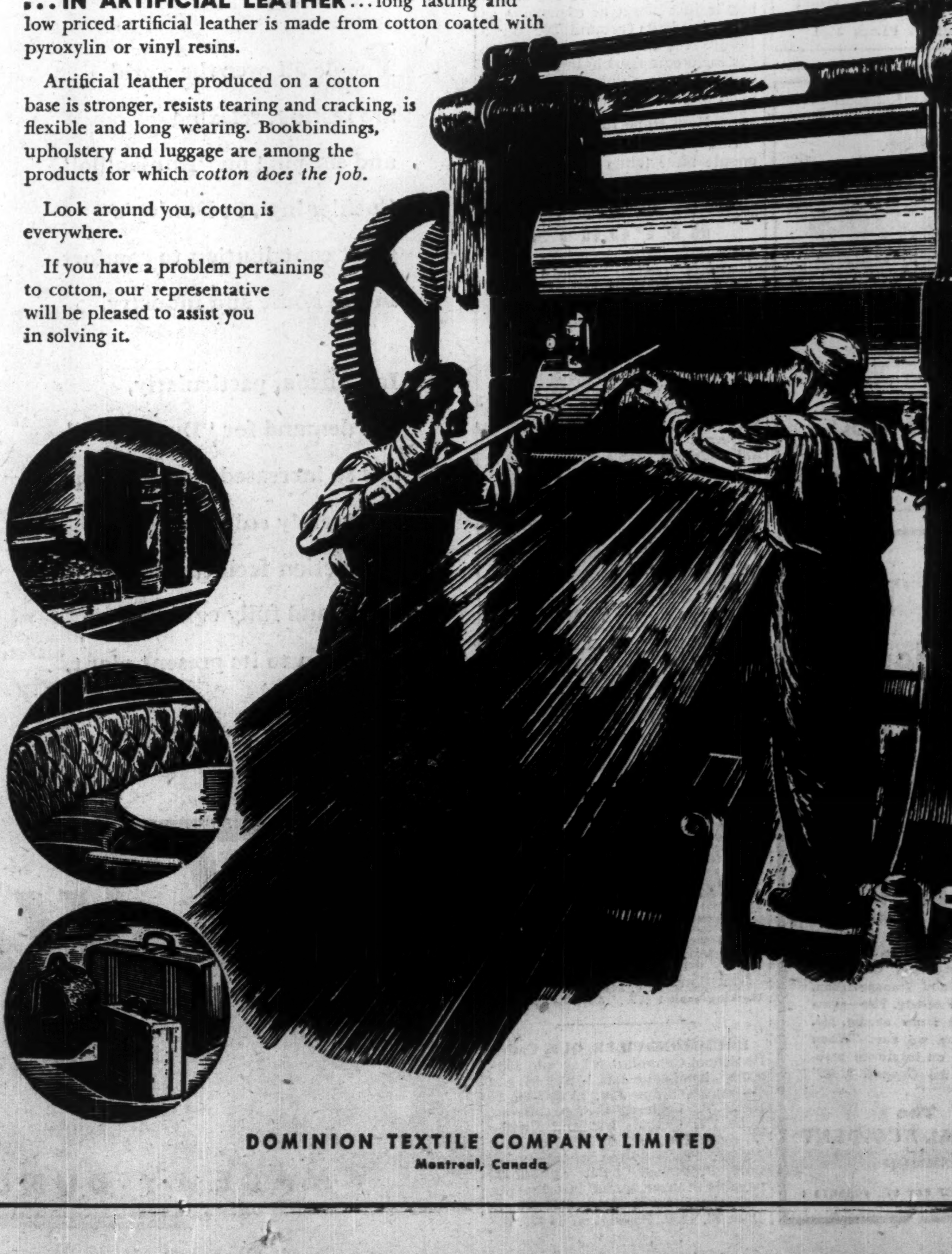

DOMINION TEXTILE COMPANY LIMITED
Montreal, Canada

Shortage Ahead in Burlap Bags?

India-Pakistan Dispute is Felt in Canadian Industry

In the expanding tempo of Canadian manufacturing, higher production appears to be "in the bag" in most lines.

The only trouble is this: there's a shortage of bags. It's not critical, as yet, but the signs are there, despite the efforts of both burlap and paper container manufacturers.

The picture is clouded by inadequate and uneven shipments of burlap from India and steadily rising burlap prices. Within a little over a year burlap has doubled in price, and Indian export duty alone is now more per yard than the average price of burlap over the past 20 years.

Last year, Canada's burlap imports were off 20% from prewar average, despite a record demand for bags and containers of all kinds. Some burlap officials claim demand is still strong as ever despite current high prices. However, many manufacturers are finding it difficult to buy any kind of containers, The Post is told. In efforts to meet demand, the paper bag makers have put in sharp annual production boosts every year since the war. One of the largest producers plans to triple production next year if the extra kraft paper is available.

The Burlap Situation

The postwar story of burlap, when it can be told in its entirety, will make for some of the most remarkable reading in commodity history.

Involved are the Governments of India and Pakistan and the multi-million jute and burlap industries of those countries. Drawn into the story on this side of the Atlantic are the thousands of big users in the bag, rug and linoleum, furniture and automobile industries. Currently, Canada's burlap bill is running at close to a $15 million a year rate.

What started out with currency devaluation last fall in India, which Pakistan didn't follow, has led through a bewildering series of Government burlap regulations to a situation which Canadian importers claim "impossible" and "ruining the industry for all time." (Pakistan produces 60-70% of the big Indian burlap industry's raw jute requirements.)

Criticisms have in turn been levelled at the jute policies of the Pakistan Government and in particular at the attempts of the Indian Government to control the burlap picture. More recently Indian exporters and certain large U. S. importers have been accused of breaking price ceiling regulations set up by the Indian Government and bringing about rampant grey market conditions.

Price Comparison

A 100-lb. average weight burlap bag sells for around 35c today. The same size multiwall five-ply paper bag sells for 12-13c. This, plus such unpredictable burlap shipments that burlap bag makers dare not write up future business, has been swinging a lengthening list of products to the paper bag market. Fertilizer, formerly shipped 100% in burlap, is now going largely in paper. This year New Brunswick potato growers switched heavily from the traditional burlap to the paper bag.

By constant improvements such as chemical treatment to counteract bacterial growth, special plastic liners to enable transport of chemicals, plastics, etc., paper bag makers are attracting more products into their market fold. It is estimated in the U. S. that before the war a third of the bags used for potatoes, grains and other food and feeds were made of burlap; now the material gets only about a fifth of the market.

Much of the business being lost to the paper bag industry will not be readily recaptured even if burlap was to drop sharply in price, burlap officials admit. For that reason more burlap bag makers are now going into the paper bag field as well, to bolster sales volume and ensure future business.

The Cost Rise

It's estimated that around 90% of total Canadian burlap imports —80 million yds. last year at a cost of $11.2 millions—goes into bag manufacture and that factory price of the bags are running around $30-$35 millions annually. In the immediate prewar years, we were bringing burlap in at the rate of around 100 million yds. annually, but cost then was closer to $3.7 millions a year.

Although no accurate statistics are readily available on multiwall paper bag production, a survey of chief manufacturers indicates that production has soared as much as 700% since war's end. There are now five manufacturers in the field as against only one prewar. At the same time the bag trend has placed a huge new market on the pulp and paper industry's doorstep; one that kraft producers are finding it difficult to fully meet under current high demand for their product. It's only this tight supply that's currently restraining more paper bag producers from expanding production further.

Burlap bag manufacturers claim they are not losing any appreciable business to the cotton bag maker, chiefly because the cotton bag is just about as expensive as their product (around 36c for a 100-lb. feed bag as compared with 40c for a comparable burlap bag). Cotton is in tight supply, with most bag makers on quota.

New Hope for Burlap

But just recently the burlap people have taken new hope. An easier trend has suddenly developed in the burlap market with prices off around 2c a yd. No one is quite certain what's behind it but unconfirmed reports have sizeable burlap shipments on their way to North American ports.

Importers can think of two possibilities; the Indian Government, in an all-out effort to straighten up the burlap problem, may have started cracking down on ceiling price violators; or, despairing of the whole jute-burlap mix-up, may have decided to nationalize the industry. In either case, substantial lower burlap prices would be in order. If it was a case of nationalization, the Indian Government would buy the raw jute from Pakistan, sell it to the Indian burlap manufacturers and then buy the burlap back for sale to the domestic and export markets.

Burlap importers feel something important is going to happen shortly that may change the whole outlook for their product. In the meantime paper bag producers continue to reap the harvest.

Brazilian To Control Canadian Company

MONTREAL (Staff) —More than 29,000 shares of Canadian Foreign Investment Corp. have been deposited in accordance with the offer to purchase extended last month by Dr. J. J. Abdalla of Sao Paulo, Brazil, President W. A. Black, Jr. states in a letter to shareholders.

The offer, of $80 per share, was contingent on at least this number of shares being deposited. They represent, along with about 12% of the outstanding shares now understood to belong to Dr. Abdalla, more than 51% of the outstanding stock. Mr. Black notes that "if the requisite payments ($80 a share) are made by Dr. Abdalla to Montreal Trust Co. on or before Jan. 15, 1951, the controlling interest in shares of capital stock of your company will have changed hands."

CPR Earnings Up in October

MONTREAL (Staff) — Gross earnings of Canadian Pacific Railway for October, 1950 totaled $36,740,901, against $33,251,532 in October, 1949. While expenses were also higher, net earnings rose $2,078,062 to $6,578,068. Summary follows:

OCTOBER	1950	1949	Increase
	$	$	$
Gr. earn.	36,740,901	33,251,632	3,489,269
Wkg. exp.	30,162,833	28,751,626	1,411,207
Net earn.	6,578,068	4,500,006	2,078,062

10 MONTHS ENDED OCT. 31	1950	1949	Increase
	$	$	$
Gr. earn.	309,654,391	300,967,986	8,686,405
Wkg. exp.	282,465,299	287,964,735	*5,499,436
Net earn.	27,189,092	13,003,251	14,185,841

*Decrease.

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Toronto, Ontario December 11th, 1950

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

WILLIAM NEILSON LTD. net profit for the year ended Dec. 31, 1949 amounted to $1,026,875, up 5.3% from the previous year's $975,313.

As provided in the charter, $50,000 was set aside for the redemption of preferred shares. During the year, 370 preferred shares were redeemed and cancelled.

The policy of increasing and modernizing the plant and equipment was continued throughout 1949 and included purchase of additional property. Capital expenditures totalled $1,024,817.

INCOME ACCOUNT

Years Ended Dec. 31:	1949	1948
Net earnings	$2,058,994	$1,740,055
Less: Depr.	397,119	198,742
Inc. tax	635,000	566,000
Net profit	1,026,875	975,313
Less: Pref. divds.	124,075	100,000
Surplus for year	902,800	875,313
Earnings per Share and Dividend Record:		
5% Preferred	$41.69	$39.01
Paid	5.00	3.65
7% Pref. (old): Paid	....	1.75
Common	9.03	8.50
None paid.		

CONDENSED BALANCE SHEET

As at Dec. 31:	1949	1948
Cash	$1,257,512	$357,840
Accts. rec., etc.	1,496,299	1,710,772
Inventories	2,122,447	2,136,534
Total curr. assets	4,876,258	4,305,146
Prepaid exp.§	36,482	25,192
Misc. assets‡	2,106,502	2,244,975
Sink. fund, pref. shs.	12,837	......
Fixed assets▲	6,783,299	6,234,540
Total assets	13,815,378	12,709,853
Accts., etc., pay.	1,268,796	1,012,085
Taxes pay.	369,829	302,247
Total curr. liabs.	1,638,625	1,314,332
Capital stock	3,686,145	3,703,145
Capital surplus	4,816,512	4,895,451
Earned surplus	3,694,096	2,796,925
▲After depr. of	591,564	198,742
‡Incl. ref. EPT of	127,784	266,257
§Included in curr. assets in co's report.		
Working capital	3,237,633	2,890,814

DRUMMONDVILLE, QUE. Catholic School Commission has sold $58,000 3% bonds due Jan. 1, 1952-54, and $92,000 3¼% due Jan. 1, 1955-66, to Rene T. Laclerc, Inc., Geoffrion, Robert & Gelinas Inc. and Dudley Dawson Ltd. at 98.08. Net cost 3.534%. Proceeds for school extension. Provincial grant of $43,333 payable in three annual installments. Net consolidated debt $313,500 at June 30, 1950. Population 14,183.

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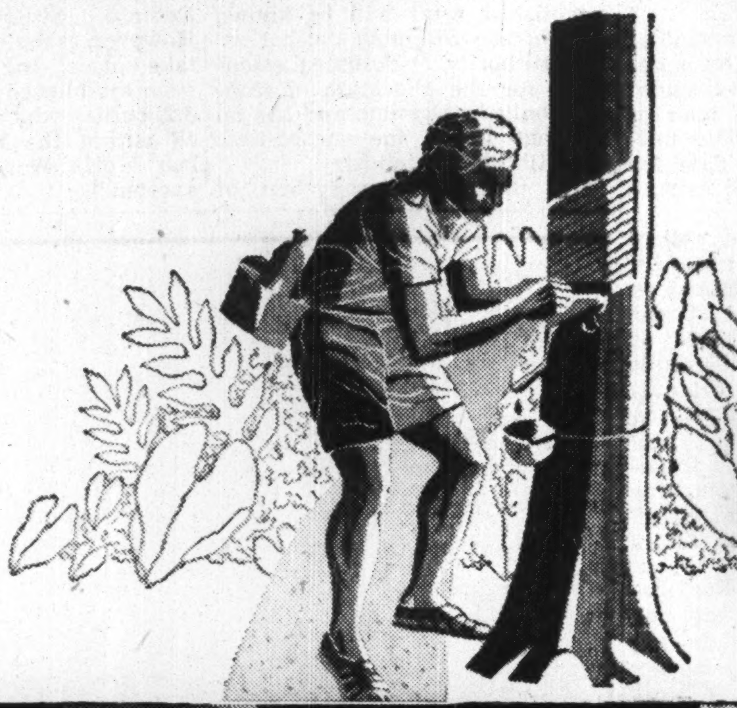
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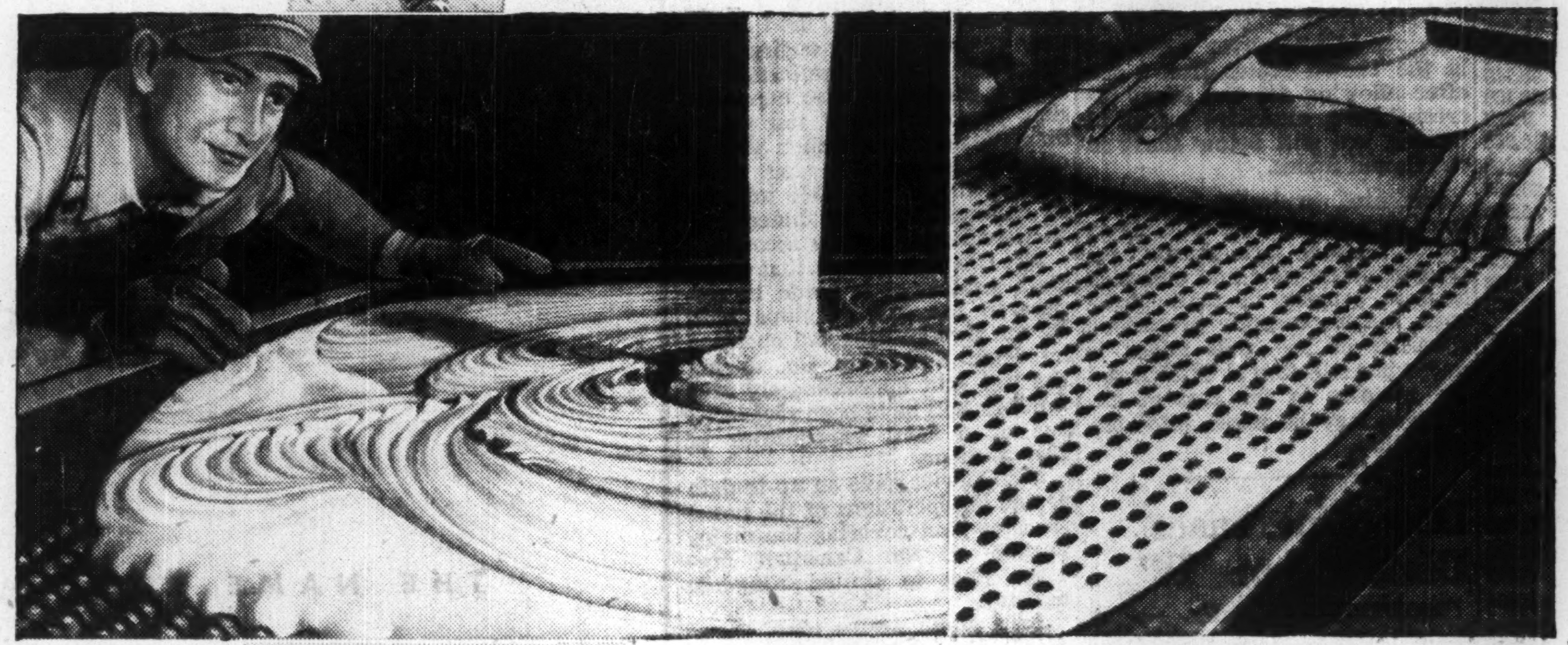
Two views in the new "Dunlopillo" plant at Queen Street East and Booth Avenue, Toronto
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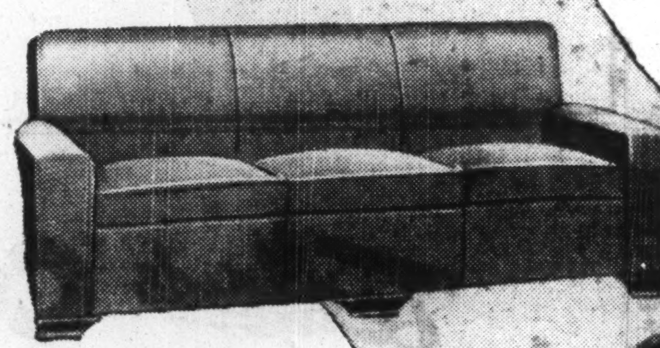

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Who Will Control Our Highways?

Major Test Coming Up on Interprovincial Bus Line

OTTAWA (Staff)—February 6, 1951, is the date set for the "constitutional reference" to the Supreme Court of Canada in the momentous New Brunswick highway dispute.

Both major Canadian railways have been given leave to intervene in the case which appears to be the most important single references ever put before the courts on the question of jurisdictional contsol over transport agencies.

What's at issue is a ruling of the New Brunswick Supreme Court to the effect that the province (not the Federal Government) has jurisdiction over the operation of an international and interprovincial bus line.

If this position is upheld by the final court of appeal at Ottawa, it could mean a completely new interpretation of provincial power over all forms of international and interprovincial transport.

Maritime Run

The case involves an American carrier, Mackenzie Coach Lines with head office at Lewiston, Maine. On June 17, 1949, this company applied to the N. B. Motor Carrier Board for a license to operate buses from Boston through New Brunswick to Halifax and Glace Bay, Nova Scotia, and return. The license was granted for the international-interprovincial traffic as far as use of New Brunswick highways was concerned. The Motor Carrier Board ruled, however, that after August 1, 1949, Mackenzie Coach Lines could not pick up nor discharge passengers within New Brunswick.

Mackenzie Coach Lines refused to recognize this restriction and alleged that the attempt to impose it was beyond the power of the Motor Carrier Board. Mackenzie Coach Lines challenged the validity of the Motor Carrier Act and contended it was beyond the power of the Legislature of New Brunswick. This claim was made on the ground that, under the provisions of the Canadian constitution—the BNA Act—only the Parliament of Canada can make laws affecting undertakings such as Mackenzie Coach Lines. Mackenzie Coach Lines contended that in the absence of federal regulation the provincial legislation and regulations regarding motor buses and license fees could not affect it.

Since August 1, 1949, Mackenzie Coach Lines proceeded to pick up and discharge passengers within New Brunswick and indicated that it would continue to do so unless and until some court of competent jurisdiction declared that its operations were prohibited by the Motor Carrier Act.

Action was brought against Mackenzie Coach Lines by S.M.T. (Eastern) Ltd., a large Maritimes bus and truck operator. S.M.T's. interest and that of other Maritimes carriers was described by Mr. Justice Harrison in the subsequent judgment of the Supreme Court of New Brunswick, appeal division.

Mackenzie Coach Lines, he stated, "desires to operate a system of motor buses from Massachusetts, through Maine and through New Brunswick, to Nova Scotia, and claims to make use of the New Brunswick highways and to compete with New Brunswick bus lines and other means of transportation by transporting passengers and goods to or from any point in New Brunswick from and to points outside the province, and also by transporting passengers and goods between points wholly within the province, without being subject to New Brunswick laws regulating motorbus traffic within the province and without payment of the licence fees required from motor buses operating wholly within the province."

In the action, S.M.T. (Eastern) Ltd., sought:

(a) an injunction restraining Mackenzie Coach Lines from picking up and discharging passengers within the province of New Brunswick;

(b) a declaration that Mackenzie Coach Lines had no legal right to pick up or discharge passengers within New Brunswick;

(c) an accounting of fares received by the Coach Lines for carriage of passengers within New Brunswick;

(d) damages, other relief which to the court might seem just, and costs of the action.

When the action was set down for trial, counsel for Mackenzie Coach Lines and S.M.T. both requested that certain questions of law be referred to the appeal division of the New Brunswick Supreme Court—a request granted by Mr. Justice Hughes.

Briefly, the Court of Appeal was called upon to decide whether the New Brunswick Government has jurisdiction over the operation of an international and interprovincial bus line, using the provincial highways.

Upholds Province

The court's ruling on May 1, 1950, upheld provincial jurisdiction over Mackenzie Coach Lines and prohibited the bus company's operation unless it complied with provisions and regulations of the New Brunswick Motor Carrier and Motor Vehicle Acts.

The Appeal Court decision stated that the two Acts "regulate motor vehicle transportation in so far as such vehicles use provincial highways and are a valid exercise of power under the BNA Act. Their incidental effect on traffic passing through the province to outside points does not affect their application to vehicles engaged in such through traffic in the absence of federal legislation on the matter."

The court held that a motor carrier operating from Maine and whose undertaking does not come within exceptions noted in Section 92 of the BNA Act "is subject to the licensing provisions in respect of its use of provincial highways whether for operations taking place wholly within the province or for operations extending into or beyond the province from and to other points."

Leave to appeal the judgment to the Supreme Court of Canada was granted Mackenzie Coach Lines on May 8, 1950.

The question arose as to whether the Supreme Court of Canada had jurisdiction to hear the appeal in the form in which it had been sent on by the New Brunswick Supreme Court. The Supreme Court of Canada heard argument on this point on Monday, November 13, and decided that it had jurisdiction to hear the appeal.

At the same time, the Supreme Court gave leave to the Canadian National and Canadian Pacific railways to intervene in the case.

The case is the first on the 1951 docket of the Supreme Court of Canada. The court reconvenes on Feb. 6.

Employers Upheld in Enquiry Into Ontario Compensation Act

Ever since the Ontario Government in 1948 added a retroactive clause to its Workmen's Compensation Act, Ontario industry had been trying to get it repealed.

Under it, the government has been collecting from employers additional funds to raise compensation benefits for earlier accidents (back in 1912 when the Act came into force) up to current levels.

Already, the change has cost employers $3 millions over and above regular contributions. The mining industry alone has had to dig down for another $750,000.

Since the Act was written maximum earnings on which compensation can be paid has been raised from $2,000 (1915) to $2,500 (1943) and $3,000 (1950). In addition, rates have increased from 66 2/3% to 75%.

Employers readily agreed that in view of higher living costs, earlier pensioners are fully entitled to increased benefits now being paid. But doggedly, they insisted that it was manifestly unfair to make employers pay the whole shot. They argued it was a legitimate charge against the treasury.

Must Be Final

Instead, the Government, they said, was making employers pay for higher compensation on accidents which occurred years ago, often when many employers were not even in business.

There had to be some finality to responsibility; or how would industry know what its liabilities were?

Furthermore, said industry, the retroactive clause violated a cardinal principle of the Act itself. This recognizes that employers should not be held responsible under any retroactive arrangement.

Last week, it looked as if they had won their case. In a 125-page report into the Act and its operations, Mr. Justice W. D. Roach agreed with them: "This Act should be considered for what it is and was originally intended to be, namely, a scheme by which compensation is provided in respect of injuries to workers in industry. It is not a system for dispensing charity. It is not unemployment insurance. It is not social legislation for . . . elevating the standard of one group . . . at the expense of another."

Compensation, he said, should properly be measured at the time of the accident by whatever standards the law then specifies. When paid, industry should be fully released.

"If, in the course of time, due to changes in our social thinking, or to changed economic conditions, it should be concluded the standard of measurement should be altered, the debt should not be resurrected and remeasured by some new standard. There should be some finality to it . . . Ownership is constantly changing . . . In my opinion, it is unfair to visit on the shareholders of 1950 a debt created in 1940, which, by the law of the land as it stood in 1940, was completely satisfied."

Would Drop Section

Mr. Justice Roach recommended that the section be dropped and that a new provision be inserted taking the responsibility off industry and putting it on the treasury.

The Canadian Manufacturer's Association and the Ontario Mining Association said, "Hear, hear," and turned to Queen's Park to see what reaction the report was having there.

Said the CMA: "It is expected that some, if not all, of the . . . recommendations will be the subject of amending legislation at the 1951 session . . ."

Said the Mining group: "It is to be hoped the Government will take early steps to consider carefully the recommendations . . . It is difficult to understand how the Government can fail to give immediate effect to the recommendations . . ."

Queen's Park was ahead of industry as far as studying the recommendations was concerned. The report was in their hands long before it was released. And indications were that legislation embodying many if not all the recommendations will be introduced at the coming session.

Other recommendations:

Earnings: maximum amount on which compensation is paid should be increased from $3,000 to $4,000, highest in Canada. This went further than what labor asked. The CCF suggested $3,600. Management wanted no change.

Rates of compensation: No change in existing scale of 75% of earnings. This means a disabled worker could get 75% of earnings up to a maximum of $4,000. CMA asked that the rate be reduced to the previous level of 66 2/3%.

Waiting period: Reduction from seven to four days before compensation starts. If disability extends beyond four days, compensation should be paid from the date of the accident. However, the change if adopted isn't expected to make very much difference. Mr. Justice Roach specifies that the four days shall be actual working days. As the Act now stands, the seven-day period can include Saturdays and Sundays. In the end, the effect is about the same.

Burial Expenses: Maximum allowance should be increased from $125 to $200 and "extraordinary" transportation from $125 to $275.

Pension to Widows: No change. The Commission found the amount received by dependents of a deceased worker were not out of line with that received by dependents of men totally disabled.

Minimum Compensation: While protesting against minimum pensions as being a departure from the principles of the Act, and inconsistent with its basic purpose no recommendation for abolition of the practice.

Police and Firemen: Coverage should be extended to include firemen as well as policemen; also to persons injured while helping the police make arrests or preserve the peace.

Full compensation: In cases where a workman suffers an injury aggravated by a pre-existing condition, he should get full compensation instead of 50% as now. All workmen are entitled to full protection without discrimination based on physical condition. If a foot injury, aggravated by diabetes made it necessary to amputate, the worker should get 100% compensation, not 50%.

Industrial Diseases: Extend coverage to include: (a) lung cancer where workers are inhaling concentrated gases from coal, tar or pitch;

(b) to silicosis in certain specific additional industries.

Limit compensation for hernia to cases where it is definitely the result of an accident.

Annual Reports: Strong recommendation that annual reports be made more informative to give industry and workers a clear picture of what is going on, particularly regarding funds and reserves.

Amendments: No recommendation. This did not come within scope of the inquiry. However, the Commission strongly advised industry, which has to foot the bill, should be given full opportunity to present its views on any proposed changes in the Act.

Periodical reviews: Ontario which has only had one review of the Act since 1914, should adopt the practice of regular periodical reviews as in other provinces, usually every five years.

COMPANY REPORTS

BREWING CORP. OF AMERICA net loss and deficit for the year ended Sept. 30, 1950, amounted to $2,034,479 compared with the previous year's loss and deficit of $2,594,952.

Adherence to the policies of maintaining an aggressive advertising and sales effort disproportionate in cost to current volume and continuing to extend the distribution of products at reasonable prices have produced in recent months substantial increases in volume over the corresponding months of last year. This favorable trend, which the company is confident can be maintained, coupled with the relief from increased costs which will be derived from the general recent increase in prices in the industry, should make possible in the coming year great progress toward the goal of re-establishing the company's business on a sound and profitable basis, President George M. Black states.

CONS. INCOME ACCOUNT

Years Ended Sept. 30:	1950 $	1948 $
Sales	13,155,706	12,165,949
Net oper loss	1,703,981	2,105,789
Less: Interest	196,134	168,993
Idle plant exp.	34,617	47,688
Depreciation	99,747	272,502
Net loss & deficit▲	2,034,479	2,594,952

▲Does not include loss on sale of fixed assets, etc., of $200,186 in 1950.

CONDENSED CONS. BALANCE SHEET

As at Sept. 30:	1950	1949
Cash & excise stamps	$504,191	$297,850
Accts. rec.♦	754,453	1,581,367
Mktable. secs.*	8,113	8,113
Inventories	966,740	1,020,222
Total curr. assets	2,233,497	2,907,552
Prep. exp.§	112,920	98,731
Misc. assets	21,000	33,981
Fixed assets‡	8,332,723	8,576,791
Total assets	10,700,140	11,617,055
Ref. container deps.	594,192	329,897
Accts., etc., pay.	972,764	1,348,666
Total curr. liabs.	1,566,956	1,708,563
Notes pay.	6,000,000	4,800,000
Capital stock	2,175,000	2,175,000
Earned surplus	958,184	■2,933,492
♦After res. of	90,840	57,612
*Market value	26,650	26,000
‡After depr. of	1,946,178	1,661,602

§Incl. in curr. assets in co's accounts.

■After deducting $150,000 for losses and exp. re handling and disposal of returnable containers.

Working capital	666,[illegible]	1,198,989

Consumers Glass Sales Hold Firm

MONTREAL (Staff) — Shipments of Consumers Glass Co., in the first three months of the current fiscal year, "ran at approximately the level of the same period a year ago," President E. J. Brunning told shareholders at the annual meeting.

Referring to the "satisfactory year" ended Aug. 31, 1950, Mr. Brunning reported that increased sales were, "in large measure," responsible for the higher profits. Net for the period totaled $724,557, or $2.27 per share, against $446,144 ($1.40 per share), in the previous year.

After a special bylaw had been passed, increasing the number of directors from seven to nine, Ross Clarkson and R. E. Stavert were added to the Board. All other directors were re-elected.

Dom. Structural Steel's Bonds, Stock Offered

Public financing for a private Canadian company — Dominion Structural Steel Ltd., Montreal, Que. — in connection with its taking advantage of Section 95 (A) of the Income Tax Act and capitalizing its undistributed income is seen this week with the offering of $600,000 debentures through Fry & Co.

The issue, dated Dec. 15, 1950, consists of $200,000 3½% serial debentures due Dec. 15, 1951-55 ($40,000 a year) and $400,000 4½% sinking fund debentures due Dec. 15, 1962, all of which are being offered at $100 and accrued interest.

Fry & Co. are concurrently offering 20,000 common shares at $6 a share.

Dominion Structural Steel Ltd. was incorporated in 1930 to acquire the business carried on for the previous seven years by C. W. Marshall, chairman of the board, and W. M. Taylor, president. It is engaged in the fabrication and erection of structural steel with a plant at Cote St. Luc, adjoining Montreal. Opening of a new fabricating plant in August 1947 has allowed a considerable expansion of the business.

The company elected to pay a tax of 15% on its undistributed income of $1,303,954 at Dec. 31, 1949 in accordance with Section 95 (A) of the Income Tax and issued 27,709 shares of 5% cumulative redeemable preferred, par $40, as a stock dividend to common shareholders as a result of capitalization of $1.108,360.

Proceeds of the debentures offered will be used with other available funds for the payment of $600,000 bank indebtedness to be incurred for the redemption at par of $600,000 preferred shares.

Capitalization, to be outstanding on completion of the financing, will consist of $600,000 debentures, 12,709 5% preferred shares, par $40, and 100,000 common shares n.p.v. Mr. Marshall and Mr. Taylor are in a position to elect the directors through ownership of a majority of the common stock.

Net profit available for dividends shows a substantial rise from its level for the years 1938 to 1945 inclusive and amounted to $108,041 in 1946, $236,759 in 1947, $400,885 in 1948, $391,631 in 1949 and for the 10 months ended Oct. 31, 1950 to $355,941. Interest requirements on the debentures will be $25,000 for the first year.

Pro forma balance sheet at Oct. 31, 1950, shows current assets at $298,167 ($500,173 less depreciation reserve of $202,006).

Directors are C. W. Marshall, chairman of the board, Ottawa; W. M. Taylor, president, Outremont, Que.; C. D. Marshall and W. A. Marshall, secretary, both of Montreal, and Robt. Henham of Toronto.

S. Canada Power Bond Issue Sold

MONTREAL (Staff) — The new $2.5 million 3⅜% series "D" first mortgage bond issue of Southern Canada Power Co. (Financial Post, Dec. 2) has been sold privately by Nesbitt, Thomson & Co. Price for the bonds, dated Jan. 2, 1951 and due Jan. 2, 1981, was 102.38 to yield 3.25%.

They are redeemable, at the option of the company, at $105.50 per $100 bond to Jan. 2, 1952, with the premium decreasing 15c a year thereafter to maturity. Proceeds are for general corporate purposes.

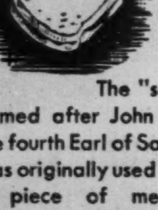
Outstanding capitalization now consists of: $6 millions 3½% bonds series "B" due 1976; $2.5 millions 3½% bonds series "C" due 1976; $2.5 millions 3⅜% bonds series "D" due 1981; $7,088,900 6% $100 par cumulative participating preferred stock; and 400,000 no par value common shares.

The company, which supplies directly or through subsidiaries, power and light to over 60,000 customers in southern Quebec, showed gross revenues of $5,674,532 in the year ended Sept. 30, 1950, against $5,173,544 in the previous year. Net profit hit a record $1,225,618 ($1,007,382).

Something to remember

This is one of a series of words and expressions whose origins and meanings are published in the interest of a better understanding, use and knowledge of the English language.

"SANDWICH"



The "sandwich" is named after John Montague, the fourth Earl of Sandwich and was originally used to describe a piece of meat served between two slices of bread.

The Earl of Sandwich (1718-1792) was a noted gambler of his day and often spent whole days at his favorite pastime. On one of these occasions he bid the waiter bring him refreshment, specifying a piece of meat between two pieces of bread. Thus, from 1762 on, this contrivance has been called "sandwich" even though the Romans, many years before, employed a similar form of food, although calling it by a different name.

DAWES Kingsbeer BREWERY

G-3

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Provincial, Municipal,
Public Utility and
Industrial Securities

Royal Securities Corporation
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Montreal, Toronto, Halifax, Saint John, Quebec, Ottawa, Hamilton, Winnipeg, Calgary, Vancouver, Charlottetown, St. John's, Nfld.

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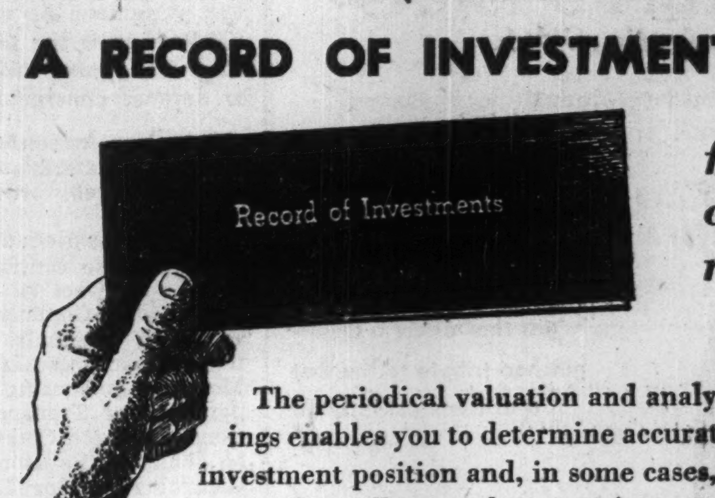

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The periodical valuation and analysis of your holdings enables you to determine accurately your current investment position and, in some cases, to make certain changes that will strengthen your investment portfolio.

We suggest that once a year you mail a list of your holdings to us in order that we may advise you regarding current values and submit a detailed analysis.

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Underwriters and Distributors of Investment Securities since 1901
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Public Financing For Private Companies

Every year a number of flourishing businesses reach the stage when public financing is necessary for the first time. The owners of these companies undertake the extra responsibility of deciding what type of financing shall be done—committing their businesses in a way which may well influence future progress over many years.

There should be no place for haste in bringing out new capital issues and the originating dealer recognizes this fact through his readiness to provide various services, entirely without obligation, for months in advance of an underwriting.

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your cement requirements can be filled by our dealers NOW

● The increase in productive capacity of our plants has reached a point where it is possible for us to fill all demands in all parts of Canada promptly.

We are building a completely new cement plant in New Brunswick, which is scheduled to come into operation in June 1951. This plant will produce 800,000 barrels annually.

Furthermore, another new addition is underway at Exshaw, Alberta, where we are building an extension to our plant which will increase our western output by 1,000,000 barrels per year. This construction is also scheduled for completion in 1951.

This new expansion programme, coupled with previous additions, will have increased our cement production by 60% since 1946. It is confidently expected that this increased output will result in an adequate supply of cement for all construction purposes.

CANADA CEMENT COMPANY LIMITED
CANADA CEMENT COMPANY BLDG., PHILLIPS SQUARE, MONTREAL
SALES OFFICES QUEBEC MONTREAL TORONTO WINNIPEG CALGARY

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The Romantic Gift!

Kents Diamonds . . . for more than eighty years unrivalled in beauty . . . unsurpassed in value . . . the gift that offers a distinguished tribute to the first and foremost lady on your list.

(Top) Classic solitaire with baguette diamond on each shoulder—$400.

(Centre) Fancy dinner ring. Three centre diamonds surrounded with eighteen small diamonds and two shoulder diamonds—$450.

(Bottom) Solitaire diamond ring with interesting shoulder design including sixteen small diamonds —$525.

Store Hours
9.30 a.m. to
5.30 p.m. daily.

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Here's How to Get Steel Priority for Defense Work

Following is the text of Steel Order No. 2 governing priorities for defense contracts:

Under powers conferred by the Essential Materials (Defense) Act, it is hereby ordered as follows:

1. For the purposes of this order

(a) "defense contract" means

(i) a contract so designated by Canadian Commercial Corp., Canadian Arsenals Ltd., Defense Construction Ltd., Central Mortgage & Housing Corp., Department of Transport or National Research Council (acting on behalf of the Atomic Energy Control Board or Department of National Defense);

(ii) any contract classified as a defense contract by authorized United States Government agencies;

(iii) any other contract designated by the Minister of Trade and Commerce as a defense contract; or

(iv) any sub-contract of such contracts.

(b) "steel materials" means pig iron, including basic, foundry or malleable; iron or steel in the form of ingots, blooms, billets, slabs, sheets, strips, plates, bars, rods, rails, bands, hoops, structural shapes, piling, piping, tubing, wire or wire products.

2. (1) Holders of defense contracts requiring steel materials for completion of such contracts may make an application to the Projects Division, Department of Trade and Commerce, to obtain authorization of a priority for supply of such materials.

(2) The application must state:

(a) the total quantity of each type of steel materials required to complete the defense contract;

(b) the monthly rate at which the steel materials will be consumed in performance of the contract;

(c) the minimum inventory essential to commence production under the contract;

(d) the quantities of the same types of steel materials the applicant has on hand for all purposes;

(e) the monthly rate at which these steel materials are being consumed in production on other than defense contracts and the nature of such other production.

3. In approved cases of steel priority, authorization bearing a case number for identification purposes will be issued to the applicant and will entitle him to priority of supply of steel materials in the quantities and of the types and at the rates of delivery specified in the authorization.

4. (1) In ordering steel materials for which a priority has been authorized the holder of the authorization must complete, in triplicate, a certificate indicating the end use for which the materials are ordered and citing the case number given. Three copies of such certificates must accompany each purchase order placed with steel suppliers who will:

(a) forward one copy to the Steel Division, Department of Trade and Commerce to record against the authorization;

(b) retain one copy for the purpose of sub-section (2) if necessary.

(2) Suppliers other than primary producers of steel may indicate the priority status of purchase orders placed by them with primary producers, by forwarding copies of certificates of end use citing case numbers as received from holders of authorizations.

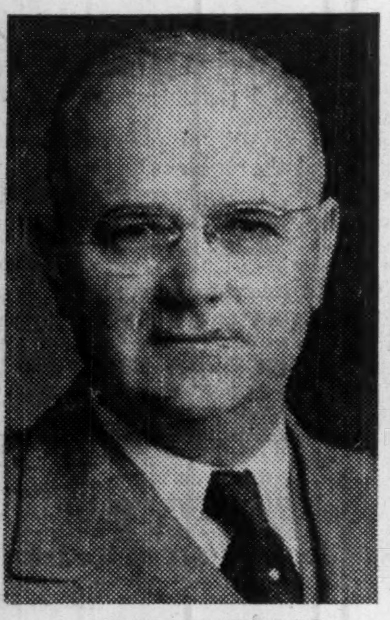
5. In filling purchase orders received, steel suppliers shall give priority over all others to those for which use of a case number has been authorized.

6. This order shall come into force Dec. 1, 1950.

INDUSTRIALISTS ON BOARD OF ANACON LEAD MINES

LUCIEN LACHAPELLE

Vice-President of Anacon Lead Mines Ltd. and its associated company, Montauban Mines Ltd., heads several concerns in Sorel, Quebec. He is also president of Sorel Mill & Builders Supply Ltd., Sorel Dock & Stevedoring Co. Ltd., Provincial Theatres Ltd., Royalmount Construction Co. Ltd. and, among others, a director of LaSalle Products Ltd. and National Builders Supply Ltd.



A. LUDGER SIMARD, O.B.E

Prominent Quebec industrialist, has been elected a director of Anacon Lead Mines and Montauban Mines Ltd. He is managing director of Marine Industries Ltd., president of Sorel Steel Foundries Ltd., Richelieu Knitting Co. Ltd., a director of Sorel Industries Ltd., Dominion Foils (Canada) Ltd., Sicard Ltd. and is owner of A. L. Simard Store and Sorel Automobiles Reg'd.

J. C. UDD

A prominent Quebec businessman. President of Sheraton Hotels Limited, Sheraton Limited, National Management Limited, The Laurentien Hotel Co. of Montreal, Ltd., Ford Hotel Co. of Toronto, Ltd., Vice-president and director of Sheraton Corporation of America, Wilson Contracting Co., Limited. Director of Lord Elgin Hotel Limited, Gibson Corporation. *

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

CANADIAN CAR & FOUNDRY CO. net profit for the year ended Sept. 30, 1950 amounted to $782,752, down 44.2% from the previous year's net of $1,401,025. Volume of sales was below expectations due, largely, to deferred placement of orders for rolling stock by the railroads. Substantial orders have been negotiated with the railways and earnings prospects are accordingly favorable, President V. M. Drury states. These orders should allow for sustained operation of car plants during 1951 and into 1952, subject to availability of materials.

During the year, orders for rolling stock were insufficient to keep the car shops operating over the twelve-month period. Delivery schedules were hampered by material shortages and, as a result, financial returns from the car division were affected.

Automotive division at Fort William has maintained steady operation on trackless trolleys and gasoline buses. The trackless trolley coach especially is receiving wide acceptance across the country and its potential is promising. Arrangements have been finalized for sole Canadian and U. S. distribution rights for AEC Ltd. diesel engine. Automotive division has developed a smaller passenger bus.

Company is now affiliated with General Steel Castings Corp. through an exclusive manufacturing and sales license agreement, and Commonwealth castings are now produced at the Longue Pointe branch of the foundry division for the railway and diesel locomotive fields.

Aircraft division has been occupied with reconditioning and modification of Harvard trainers for the RCAF and the fabrication and supply of spare parts for these planes.

Canadian General Transit Co. had another active year in the leasing of tank cars, and the trend of operations, linked as it is to development of the oil fields, is favorable.

It is anticipated that facilities of other plants will be used in conjunction with industrial development and preparedness programs now in formulation for national defense requirements, Mr. Drury says.

CONS. INCOME ACCOUNT

Years Ended Sept. 30:	1950	1949
Net oper. profit	$2,358,771	$3,131,732
Add: Other inc.	123,500	123,942
War cls. award.	......	210,847
Less: Deprec.	1,207,018	1,169,076
Prov. for taxes	487,000	867,485
Int. pay.	5,501	28,935
Net profit	782,752	‡1,401,025
Less: Cl. divd.	400,000	400,000
Com. divd.	292,640	365,800
Surplus for year	90,112	635,225

‡Not including $5,362 loss on sale of capital assets.

Earnings per Share and Dividend Record:

	1950	1949
Class A	$1.96	$3.50
Paid	1.00	1.00
Ordinary	1.05	2.74
Paid	0.80	0.80+0.20

CONDENSED CONS. BALANCE SHEET

As at Sept. 30:	1950	1949
Cash	$387,387	$511,558
Accts. rec.	4,710,568	5,666,403
Inventories	10,981,522	18,661,117
Total curr. assets	16,079,477	24,839,078
Prep. exp., etc.§	487,601	267,426
Ref. EPT	77,949	163,501
Investments	898,713	882,122
Fixed assets*	16,966,832	17,755,360
Total assets	34,310,572	43,907,487
Bank loan	2,105,000	9,885,000
Accts. & tax. pay.	4,359,900	5,383,486
Due re pf. exch.	734	2,022
Total curr. liab.	6,465,634	15,270,508
Due War Assets Corp.	195,949	359,250
Reserves	335,485	342,215
Capital stock	17,145,000	17,145,000
Capital surplus	612,585	678,053
Surplus	†9,755,919	10,112,461
*After deprec. of	13,742,192	13,276,400

†After deducting $347,956 loss on sale of capital assets.

§Included in curr. assets in co's report.

Working capital	9,613,843	9,568,570

STEAM-PAK GAINS QUICK RECOGNITION

Now available in Canada, STEAM-PAK Generators are complete packaged oil-fired boiler units which produce steam (high or low pressure) or hot water for industrial and commercial uses. The STEAM-PAK is approximately half the size and weight of the complicated brick set boiler. Installation costs are also halved as the units slide into location desired, a few simple connections (oil, electrical, steam, water), are made and the Generator is ready to operate.

STEAM-PAKS in low pressure series are ideal for apartments, office buildings, stores and other heating applications. In high pressure series they provide quick steam for process plants, dairies, laundries, dry cleaning plants, bakeries, and other steam users.

Get Steam-Pak data for your files. Write today for literature.

STEAM-PAK GENERATORS DESIGNED, ENGINEERED AND BUILT BY YORK-SHIPLEY INC., YORK, PA.

STEAM-PAKS can be adapted for any oil from No. 3 to No. 6 with a few simple changes. Sizes range from 15 H.P. to 150 H.P. A manual switch is provided on the high pressure series to change controls from the process (high pressure) to the heating (low pressure) cycle.

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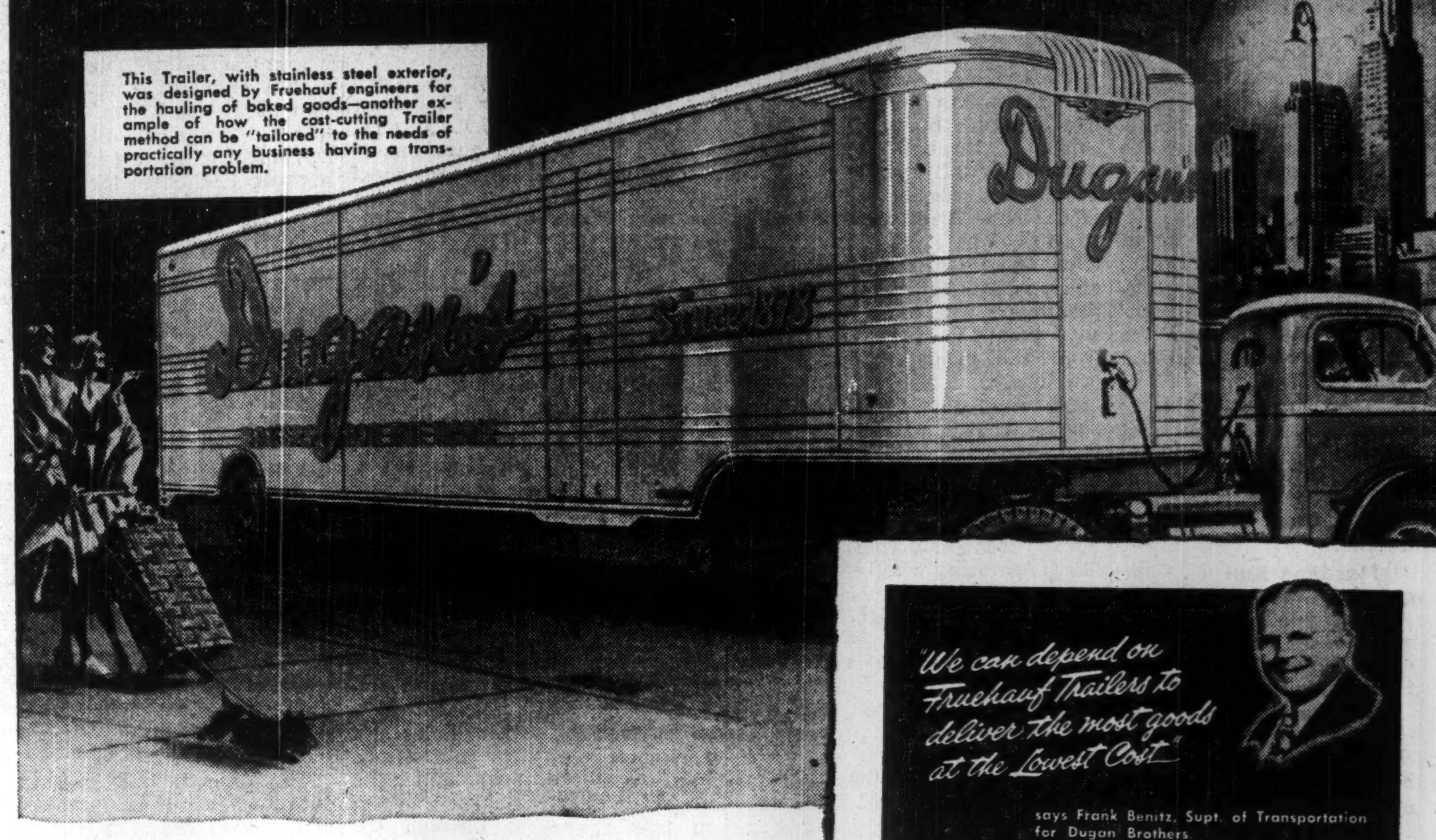
HAMILTON — CANADA

FOODS COST LESS
when delivered in Fruehauf Trailers!



This Trailer, with stainless steel exterior, was designed by Fruehauf engineers for the hauling of baked goods—another example of how the cost-cutting Trailer method can be "tailored" to the needs of practically any business having a transportation problem.

"We can depend on Fruehauf Trailers to deliver the most goods at the Lowest Cost" says Frank Benitz, Supt. of Transportation for Dugan Brothers.

YES, in *all* kinds of hauling, more Trailer owners use Fruehaufs than any other make. That's because these owners know Fruehaufs haul the biggest loads, last longer, cost the least to operate.

And in the case of operators who formerly *used only* trucks . . . they have discovered that they can greatly reduce hauling costs by switching to Trailers—*because Trailers more than triple the work a truck can do.*

The Fruehauf line is complete—there's a Trailer for every hauling need. Each one is built with money-saving features found in no other Trailer.

If you do not use Trailers—possibly they could materially cut your hauling costs. Would you like to know the facts? Write us on your business letterhead for a "Transportation Cost Analysis." This service is yours for the asking—without cost or obligation. It may show you how to make important savings—write for it today. Fruehauf Trailer Company of Canada, Limited, Weston, Ontario. Branches and Distributors in Principal Cities.

You get these Money-Saving Advantages with STAINLESS STEEL TRAILERS . . .

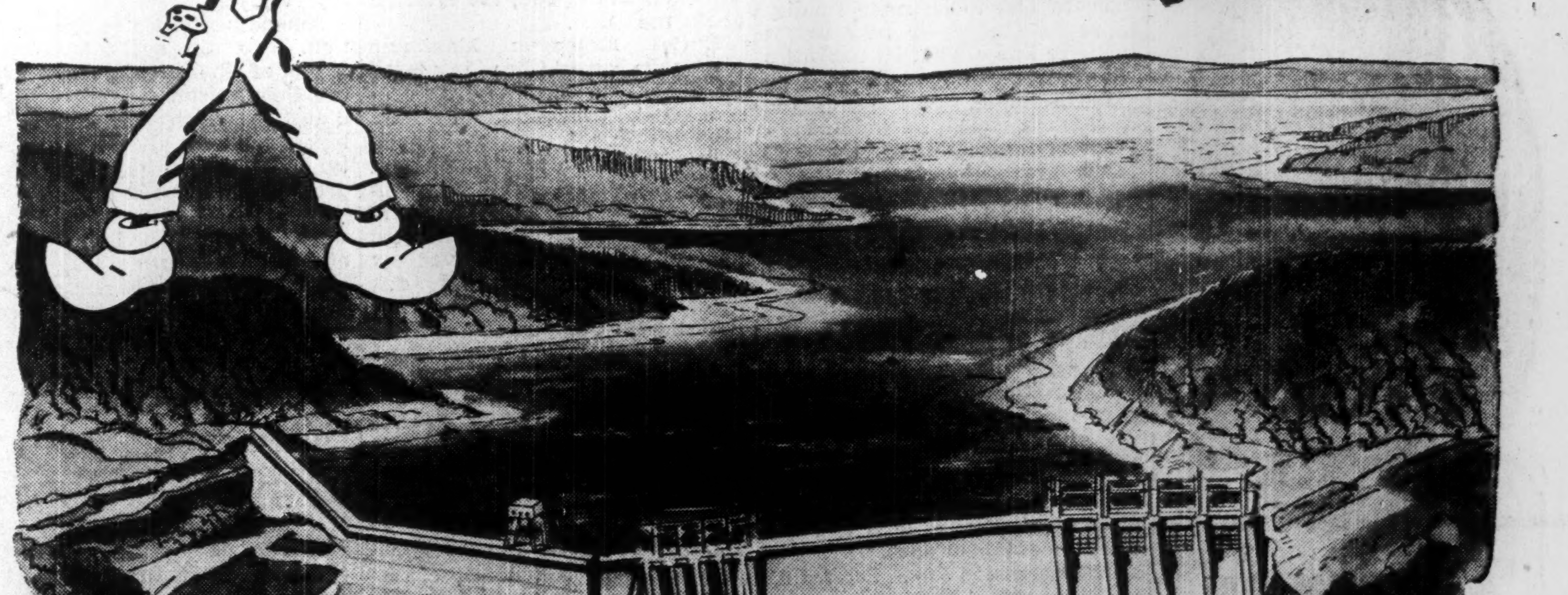
FRUEHAUFS HAUL BIGGER PAYLOADS—For comparable capacity, strength and durability, the new type Stainless Steel is the lightest Trailer on the road! Carries up to 4000 lbs. more payload than conventional units.

FRUEHAUFS LAST LONGER—There is no record of a Stainless Steel Trailer ever having worn out. All the basic structural members are built of lighter, stronger, longer-lasting Stainless Steel.

FRUEHAUFS COST LESS TO OPERATE—There is practically no upkeep cost on Stainless Steel. Never requires painting . . . resists corrosion . . . can't rust out. The first cost is virtually the last cost.

FRUEHAUF Trailers

MORE POWER TO QUEBEC!



Thursday, December 14th, marks the official placing into service of the first 65,000 horsepower unit of The Shawinigan Water and Power Company's Trenche Development. By next summer 325,000 horsepower of electrical energy will be available from this great new power plant. Thus Shawinigan continues to assure the Province of an adequate supply of vital hydro-electric power well in advance of requirements.

Designed and now being completed by The Shawinigan Engineering Company, this latest and largest generating station on the St. Maurice River begins operations with its first unit a full seven months ahead of schedule. That this was possible is indeed a tribute to the ability and know-how of the company's engineers and the cooperation of the suppliers.

Thus, more power comes to Quebec—power generated and distributed by Shawinigan to contribute to the economic and industrial growth of the Province and its people.

ENGINEERING · CONSTRUCTION · TRANSPORTATION
The Shawinigan
WATER AND POWER CO.
ELECTRIC POWER · CHEMICALS
SHAWINIGAN CHEMICALS LIMITED — QUEBEC POWER COMPANY
associated and subsidiary companies

Gentlemen . . .

It's Later Than You Think!

Time waits for no man and, least of all, Christmas-time! Come December, that advancing red-letter day breaks all speed records. So here's our advice to you—set aside an hour or two and tackle the gift-buying problem faster than fast.

You will find it no problem at all if you look to Evangeline for help. We're all ready and waiting with treasures galore in accessories and wearables that will make friends wherever they go. Of course, we've something special for the loveliest-lady-on-your-list to set you apart as a knight in shining armour.

Gift-wrapping? We'll eliminate the fuss 'n' muss by doing it for you—for free! We'll make your parcels tinsel-bright and gay as the holiday season. It's just our way of saying "thank you" and of helping you to put stars in *her* eyes and a Christmas-candle-glow in *her* heart.

Tuck that list in your pocket—come in to see us—and soon. We'll do our level-best to give you the kind of friendly, interested service that you'll enjoy. Jot it down—it's Evangeline for gifts—the shop for women and *for men who shop for women*. And we're sure *you* do!

Evangeline

- 113 Yonge at Adelaide
- 786 Yonge at Bloor
- 1458 Yonge at St. Clair
- 3414 Yonge at City Limits
- 444 Eglinton W. at Castleknock
- 656 Danforth at Pape
- 62A Bloor at Bay

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Our experience and ability gained in more than fifty-five years as Executor and Trustee are at your disposal. Your enquiries would be welcomed at any of our offices.

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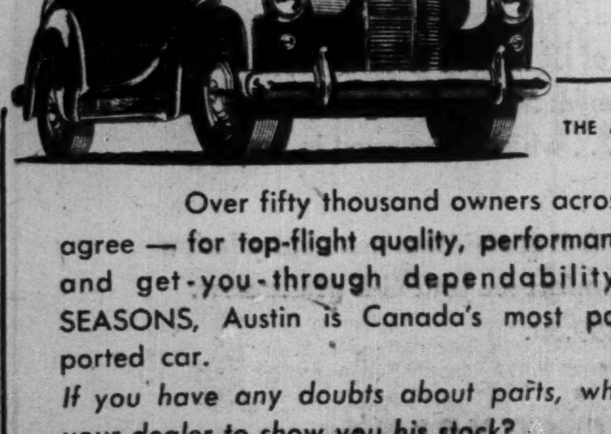
DRIVE WITH *Confidence*
AUSTIN
THE *PROVEN* ALL-WEATHER CAR FOR CANADIANS!



THE A40 DEVON

Over fifty thousand owners across Canada agree — for top-flight quality, performance, safety and get-you-through dependability in ALL SEASONS, Austin is Canada's most popular imported car.

If you have any doubts about parts, why not ask your dealer to show you his stock?

THE AUSTIN MOTOR COMPANY (CANADA) LIMITED
1393 YONGE STREET TORONTO, ONTARIO

Provincial Roundup

Significant events in public affairs and business in the Canadian provinces

Newfoundland

Benefits of Union: Prices of many goods have fallen sharply since the Island entered Confederation. Some examples listed in the report of the Royal Commission on the Cost of Living, with March, 1949, prices given first and January, 1950, prices second: Canned peas, 25c, 15c; soap, 17c, 11½c; margarine, 39c, 34c; flour, $7.90, $6.90. The Commission ascribes the drop mainly to removal of duties, lower freight rates and increased trade with other provinces.

* * *

Prince Edward Is.

Told to Sell: Island farmers are being urged to get clear of as many potatoes as possible now, in view of the unlikelihood of any measure of price support. Right now they stand to receive only 30c a bushel for tablestock and 36c for seed, but the clearing out of some of the supplies might strengthen the price later on. For the first time in several years there is no shortage at this time of refrigerator cars on the island.

Refund Claimed: Premier J. Walter Jones hopes to collect an old account with the Federal Government for $780,000, which he revealed in opening negotiations at the federal-provincial conference as a "20-year Ottawa oversight." At Confederation, Ottawa agreed to pay $45,000 yearly for public works, but kept deducting $39,000 interest on an advance to the province to buy lands from absentee owners. In 1930 the Federal Government transferred public lands to some provinces continuing to pay the public works grant; but not to P.E.I. So the premier claims the 20 interest deductions since 1930 should be refunded.

* * *

New Brunswick

Port Looks Up: Big progress at Saint John harbor was highlighted last week with the official opening of the new $1.1 million customs and immigration terminal building by Federal Immigration Minister Harris. Without immigration facilities since the fire of 1931, Saint John now has one of the finest buildings on the continent. Citizens were jubilant, too, at the return of Canadian Pacific steamships. Since the dock fire, westbound trans-Atlantic liners have been putting in at Halifax. Empress of Canada and Empress of France will now disembark passengers at Saint John.

Airstrips: New 700-ft. runway, capable of handling jet plane takeoffs, will be built next year at the RCAF base near Chatham. Diamond Construction Co., Fredericton, has the $500,000 contract. Work on clearing the site has already begun. Nearly half of a 5,200-ft. runway at Saint John airport has been laid, and it is expected to be finished next spring. The first mile-long strip was completed early this year.

* * *

Nova Scotia

Bridges for Defense: Premier Macdonald is urging construction of the proposed Halifax-Dartmouth bridge and the causeway across the Canso Strait as defense projects. He has asked Ottawa to help with provincial public works that might be considered vital to national defense or civilian defense. Mr. Macdonald argues that the Halifax bridge would be important if the city had to be evacuated, and the Canso crossing is needed for transportation of coal and steel.

To Use Ports: It now seems certain that Canadian wheat will be shipped out through Halifax and Saint John. There have been rumors that ships would pick up the grain at Baltimore and other U. S. ports, but R. K. Smith, K.C., chairman of the National Harbors Board, says this is not so. "All Canadian grain, as far as possible," will move through Canadian ports in the winter season.

* * *

Quebec

Aluminum License Plates: Canada's big aluminum producing province will use the shiny light metal for automobile license plates next year. They will be aluminum colored with black numbers and fleur-de-lis. The new metal means no more rusty plates. Bugbear of old plates was that the plates rusted, paint chipped off, and numerals could not be read.

Charity Pays Off: First material results of the $18 millions in donations to the Montreal Joint Hospital Fund this year will be an eight-story hospital for tuberculosis treatment and research. It will be an addition to the Royal Edward Laurentian Hospital. Demolition of a block of houses is under way and construction of the new building will start next spring. It will provide 100 surgical and active treatment beds with complete surgical, research laboratory and teaching facilities.

* * *

Ontario

"Black Hole": A general sessions grand jury looked over the court facilities in Toronto's City Hall and was shocked by what it saw in the "modern Black Holes of Calcutta." It noted dirty, windowless, crowded cells, inadequate witness rooms, crowded judges' quarters, drab furniture, dirty walls, unwashed windows, stinking washrooms. It called first for some good housekeeping and then for a new, modern courthouse. Judge Robert Forsyth commented: "I agree." Plans for a new courthouse or city hall have been talked about for some time, but apparently the City Council cannot agree on which to build first.

* * *

Manitoba

Seed Oil Profits: In spite of lower prices, Co-operative Vegetable Oils of Altona made a net profit of $105,505 last year. One fifth of this goes in dividends to be shared by the members. Average price received was only 13c a lb. compared with 25c in 1948. Revenue was $1.6 millions from 29.1 million lb. of sunflower seeds, 2.7 million lb. soya beans.

Civil Defense: Greater Winnipeg is making plans to meet any disaster. Control committee for civil defense has been organized under chairmanship of Ald. J. Gurzon Harvey. It will function for 18 municipalities. Aim will be to train citizens in fire fighting, rescue and engineer work; to avoid panic and confusion by enemy air attack.

* * *

Saskatchewan

Wheat Slogan: Saskatchewan's 1951 motor vehicle license plates will advertise "The Wheat Province." This slogan is on the 470,000 plates waiting distribution next spring. They are ivory in color with black numbers and letters. Each car will have two plates.

Annexation Squabble: An order from the Provincial Government for Regina to annex 14 "fringe" (Jan. 1) areas has roused the ire of Regina aldermen. The matter was discussed by the groups concerned last summer. Ald. Ruth McGill told council the Government promised to call another meeting but failed to do so. She criticized the "arbitrary" action. Many financial and administrative problems have yet to be decided.

* * *

Alberta

Palatial Block: Calgary City Council is considering the proposal of a New York corporation to build a 250-suite apartment-hotel costing "many, many millions" of dollars. The company wants to buy 10 acres of city-owned property for $50,000. The suites in the six-story block would rent for about $100 a month.

Co-ordinator: Job of directing Edmonton civil defense plans has been given to Brig. J. C. Jefferson, An Edmonton businessman, Mr. Jefferson commanded the Loyal Edmonton Regiment overseas. His deputy will be Hugh Davidson, city safety officer. They will be looking for voluntary aid from industrial and professional groups in organizing civil defense.

* * *

British Columbia

Protest License Fee: The British Columbia Automobile Association wants a straight $10 license fee. Drivers in that province now pay an average of $35 fee for a new car and $25 each year for renewal of license. This is the highest rate in Canada. The Ontario fee is $10. Alberta motorists are also asking for a $10 fee.

Business Is Good: Figures for the first nine months of this year show that production and trade in the coastal province are running ahead of 1949. Log scale is up 8.6%; seafish, 17.6%; retail sales, 7%; tourist trade, 3%. But coal production was down 10%; construction contracts, 3.2%.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

REEVES MACDONALD MINES LTD. net profit for the period from Jan. 1 to Sept. 30, 1950, amounted to $477,118.

During the period, capital expenditures totaled $108,013 and included $54,832 spent on mining buildings and equipment, $29,065 on housing facilities and $24,116 on installation of water systems, power lines, etc.

Construction of the second 500-ton unit of the mill was completed in March, 1950 and it was placed in operation, with the first unit on part-time basis. Tonnage handled was increased as fast as mine operations improved until a production of 1,000 tons per day was reached in September.

Seven additional dwellings were completed and ten are under construction.

In the mine, seven additional stations were cut from the main raise, making a total of 12 levels in production or development. Metallic content of the ore within the originally outlined body has proven to be equal to that of the earlier estimates.

Due to a critical shortage of underground labor, it was decided to strip and mine the block of ore outcropping on the surface where a much greater tonnage of ore per man shift was obtained, although the average grade was lower than in the deeper workings. Manpower situation began to improve in October.

Ore production increased monthly from 9,933 tons in January to 24,266 tons in September. Milled in first quarter was 36.593 dry tons; in the second, 44,084 dry tons; and 66,158 dry tons in the third. Operating costs declined as production increased

Improvements in quotations for metals had a very beneficial effect on operating earnings in the last quarter.

INCOME ACCOUNT▪

Period Jan. 1 to Sept. 30:	1950
Concentrates	$1,268,653
Less: Oper. exp.	780,035
Prov. min. tax	11,500
Net profit†	477,118

†Before prov. for deprec., depl. or amortiz. of preprod. exp.

▪For period from Sept. 1 to Dec. 31, 1949, rev. from concentrates, amounting to $217,636, was credited to preprod. exp., and expenses, totaling $236,699, were charged to preprod. exp.

CONDENSED BALANCE SHEET

As at:	Sept. 30 1950	Dec. 31 1949
Cash	$416,536	$41,818
Accts. rec.	239,016	36,693
Concentrates	58,790	3,943
Stores	83,573	64,601
Total curr. assets	797,915	147,055
Prep. ins., etc.§	33,326	17,001
Deferred charges	33,468	54,828
Mining props.	2,064,193	2,064,192
Plant & equip.	1,304,832	1,196,919
Preprod. exp.	897,178	897,178
Total assets	5,131,012	4,377,173
Accts., etc., pay.	136,196	131,543
Due Pend Oreille	1,958,561	1,686,494
Total curr. liabs.	2,094,757	1,818,037
Capital stock	2,338,000	2,338,000
Capital surplus	221,137	221,136
Earned surplus	477,118	......
Working capital	*1,296,842	*1,670,982

§Incl. in curr. assets in co's report.

*Excess of curr. liabs. over curr. assets.

OPERATING STATISTICS‡

Tons milled	146,835
Aver. recov.	$8.64

‡For period of 9 mos. ended Sept. 31, 1950.

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Cumulative Redeemable Preferred Shares

Notice to the holders of share warrants and to registered shareholders

NOTICE is hereby given that:—

1. A dividend (Number 9) of $1.18 per share in Canadian currency has been declared on the 4¾% Cumulative Redeemable Preferred Shares for the three months ending December 31, 1950.

The said dividend will be payable on or after January 2, 1951 in respect of the shares specified in any share warrant on presentation and delivery of dividend coupon No. 9 at any Branch of The Royal Bank of Canada in Canada.

The said dividend will be paid to registered holders of said shares who are of record at the close of business on December 15, 1950, by cheque which will be mailed on December 30, 1950, from the office of the Montreal Trust Company, Vancouver, B.C.

2. A dividend (Number 15) of $1.00 per share in Canadian currency has been declared on the 4% Cumulative Redeemable Preferred Shares for the three months ending December 31, 1950.

The said dividend will be payable on or after January 2, 1951 in respect of the shares specified in any share warrant on presentation and delivery of dividend coupon No. 15 at any Branch of The Royal Bank of Canada in Canada.

The said dividend will be paid to registered holders of said shares who are of record at the close of business on December 15, 1950, by cheque which will be mailed on December 30, 1950, from the office of the Montreal Trust Company, Vancouver, B.C.

3. The Income Tax Act of the Dominion of Canada provides that a tax of 15% shall be imposed and deducted at the source on all dividends payable by Canadian debtors to non-residents of Canada. The tax will be deducted from all dividend cheques mailed to non-resident shareholders and The Royal Bank of Canada will deduct the tax when paying coupons to or for accounts of non-resident shareholders. Ownership Certificates (Form No. 600) must accompany all dividend coupons presented for payment by residents of Canada.

Shareholders resident in the United States are advised that a credit for the Canadian tax deducted at source is allowable against the tax shown on their United States Federal Income Tax return. In order to claim such credit the United States tax authorities require evidence of the deduction of said tax. For this purpose the Company's paying agents, Montreal Trust Company, 466 Howe Street, Vancouver, B.C., will, at the year end, mail to registered shareholders a Certificate of Tax Deduction covering the aggregate tax deducted from dividends paid during the calendar year. Bearers of Share Warrants, on the other hand, must complete Ownership Certificates (Form No. 601) in duplicate and the Bank cashing the coupons will endorse both copies with a Certificate relative to the deduction and payment of the tax and return one Certificate to the Shareholder. If Forms No. 601 are not available at local United States banks, they can be secured from any office of The Royal Bank of Canada.

Subject to Canadian Regulations affecting enemy aliens, non-residents of Canada may convert this Canadian dollar dividend into United States currency or such other foreign currencies as are permitted by the general regulations of the Canadian Foreign Exchange Control Board at the rate prevailing at time of presentation to a bank.

BY ORDER OF THE BOARD
J. A. BRICE
Secretary

425 Carrall Street,
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November 30, 1950

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Domestic Business Chances Through World Trade Fair?

OTTAWA (Staff) — Are those Canadian manufacturers who pass up exhibiting at the Canadian International Trade Fair as useful only in export development missing out on the opportunity to develop valuable new domestic business?

Trade Fair officials think they are. And they are frankly worried about the sharp drop that's occurred in Canadian representation since the first Fair in 1948. Then 60% of exhibit space was taken up by Canadian firms. This year it was only 30%.

To whip up new Canadian interest in the Fair, B. C. (Bert) Butler, publicity director for the Department of Trade and Commerce and official "barker" for the Fair, last month visited major cities in every province from British Columbia to Newfoundland.

He talked to provincial trade and industry officials, chamber of commerce people, trade associations and service club members. As a result, many businessmen who never realized the Trade Fair could be useful to them have become aware of its potentialities.

Last week Mr. Butler went to Toronto to talk over the results of his trip with the men in charge of the fair.

Tell the World

They see two main reasons why more Canadian products should be shown there every year. Mr. Butler explained one of them:

"For years we have been telling the world that Canada is the third largest trading nation," he said. "Our trade commissioners abroad persuade business men in their areas that a visit to the Trade Fair is the best means of seeing what Canada has to offer. It is up to Canadian business to demonstrate that there is substance to those statements."

Many Canadian firms report successful results from previous fairs. Example is the one that entered a display of canned caviar in 1948 and received so many orders it has had difficulty filling them ever since.

Cost of setting up an exhibit at the fair is small in comparison with the cost of a world tour that would be necessary to meet the prospective customers who come to Toronto from abroad for the fair.

Perhaps equally as important is the chance for Canadian firms to develop business right in their own country. A number of western producers have opened new outlets for their products in other parts of Canada. Many products are well known in their own area but are unknown in other parts of the country. Sometimes merchants import goods that could be bought just as cheaply in Canada if they only knew about them.

One valuable by-product of the trade fair is the establishment of new industries in Canada. When foreign exhibitors find a good enough market for their goods here, they set up branch plants to take care of the demand. Trade Fair officials have traced about 30 such cases. These new firms help to increase and diversify Canada's manufacturing industry.

The International Trade Fair does not cater to the public. It is for buyers and sellers. Says Butler: "The music of the turnstiles is of secondary importance to us." So the fair is closed to the public except for the two Wednesdays and one Saturday during the two weeks it is operating.

Wider Appeal

But the Fair officials have changed their thinking on this subject. They realize now the kind of business visitors they were trying to attract was too restrictive.

"We thought the fair would be of real interest mainly to top executives and purchasing agents," Mr. Butler said. They have found that the man who writes the cheque is not necessarily the man who recommends what the firm will buy. Especially in the case of technical and engineering lines it is the plant superintendent, the foreman or a mechanic who makes the real decision. More attention will be paid to these people in future.

There are many exhibits of interest also to civic and hospital administrators, doctors, teachers, school trustees, office managers and a host of other occupations. So the invitation list, already numbering a couple of hundred thousand, is being expanded to include various types of professions and workers in Canada and other countries.

The outlook for the 1951 Fair, scheduled for May 28 to June 8, is good. Space bookings are 60% ahead of last year and allocations will begin before the end of this month.

Officials are concerned only because space may be taken up by reservations from abroad before Canadian firms get around to applying for it. Those who wait until next spring will find it is too late.

Yours TO PROTECT

WHAT'S THE SLEEPIEST ANIMAL?

Many common animals hibernate during the winter. The familiar woodchuck has a cousin called the HOARY MARMOT, which certainly holds a marathon sleeping record. In the northern part of his range, this creature sleeps nine months out of the twelve!

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Monsanto Designs Marathon Plant

The new 25-ton-a-day chlorine plant of Marathon Paper Mills of Canada will be designed by Monsanto Chemical Co. and constructed by Leonard Construction Co. of Chicago. (The Financial Post, Nov. 11.)

The unit will be the first sizeable chlorine plant in the United States or Canada to use De Nora mercury-type cells with a rate capacity of 30,000 amperes, according to C. M. Dean, associated engineering sales manager of Monsanto's Organic Chemicals Division. It will produce rayon-grade caustic soda, chlorine, electrolytic sodium sulphide, sodium hypochlorite and synthetic hydrochloric acid.

In 1948 Monsanto signed a tentative agreement with Dr. Arongio De Nora, head of an Italian company, for the use and sale of the De Nora mercury cell in the United States.

DOMINION GLASS CO. net profit for the year ended Sept. 30, 1950 amounted to $1,655,449 up 10.6% from the previous year's $1,497,285. Improvement of manufacturing facilities, carried out during the past few years, has again enabled the company to increase production and sales with an accompanying improvement in profit, President L. J. Belnap states. Maintenance of equilibrium between costs and selling prices continued to require serious attention.

To expand production and provide greater flexibility of operations construction was begun in June at the Montreal factory on a new furnace installation and it is expected that the new fabricating equipment and buildings will be in operation by the end of 1950. Capital expenditures during the year totalled $1,520,108. Unexpended balance on approved works was $1,199,216 at Sept. 30.

CONS. INCOME ACCOUNT

Years Ended Sept. 30:	1950	1949
Total net income	$3,752,607	$3,081,228
Less: Deprec.	689,626	496,519
Amort. pat. rts.	157,500	7,500
Taxes	1,250,032	1,079,924
Net profit	1,655,449	1,497,285
Less: Pref. divds.	182,000	182,000
Common divds.	478,125	425,000
Surplus for year	995,324	890,285
Earnings per Share and Dividend Record:		
Preferred	$12.73	$11.52
Paid	1.40	1.40
Common	6.93	6.19
Paid	1.00+1.25	1.00+1.00

CONDENSED CONS. BALANCE SHEET

As at Sept. 30:	1950	1949
Cash & Dom. bds.	$3,760,852	$3,810,677
Accts. rec.	3,250,007	2,946,400
Inventories	3,700,027	3,010,455
Total curr. assets	10,710,886	9,767,532
Misc. assets*	208,531	692,628
Fixed assets	10,401,527	8,320,719
Patents, etc.	2,311,921	2,469,421
Total assets	23,632,865	21,750,300
Accts. & tax. pay.	1,644,325	1,580,037
Other curr. liab.	1,121,505	978,816
Total curr. liab.	2,765,830	2,558,853
Deprec. reserve	5,929,519	5,249,255
Other reserves	850,000	750,000
Capital stock	6,850,000	6,850,000
Surplus	‡7,237,516	‡6,342,192
*Incl. ref. EPT	......	488,710

‡After deducting $100,000 prov. for conting. in 1949 and 1950.

Working capital	7,945,056	7,208,679

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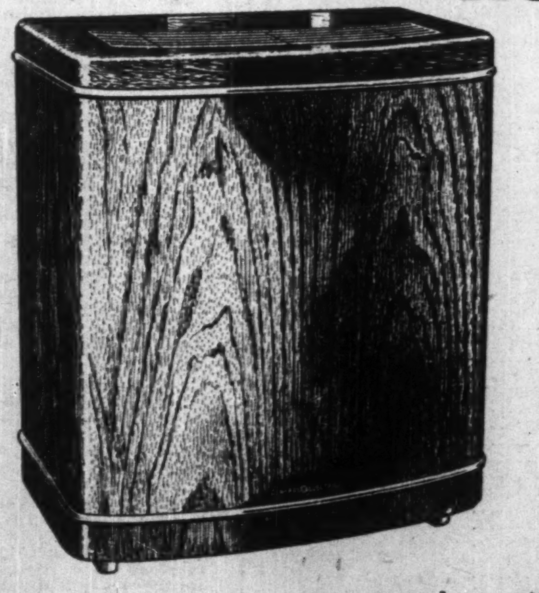

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LONDON CALLING—*By Adelphi*

There's Anxiety But No Sign of Panic As Britons Look at a Cockeyed World

LONDON — It is a long time since some American coined the phrase: "It's a cockeyed world," but never has that description been more fitting than today. And it is hard to believe that any part of the world is more cockeyed at the moment than London.

Already the theatres are announcing that "Puss in Boots," "The Babes in the Wood," and "Cinderella" will open on Boxing Day with the same unchanging tradition of the Principal Boy being a girl and the Widow Twankey a male comedian. There is comedy even in the price of turkeys which have soared to an average price of £7 although the public are not rushing for them yet.

* * *

Meanwhile Herbert Morrison, aided by the debonair Attorney General Sir Hartley Shawcross, is fighting a day to day battle with a rigid House of Commons trying to get some amusements legalized for Sunday in the Festival Gardens at Battersea Park in London. The parliamentary puritans have turned down a fun fair — or what used to be called "The Midway" in the Canadian National Exhibition in Toronto, but they have grudgingly agreed to Punch and Judy as well as marionettes—but further they will not go.

* * *

The stock markets sag with the Korean news, but there is little selling. Even if the British investor could send his money out of the country there is no safe funk hole visible on the map today.

* * *

A mad Test Match in Australia competed with Korea for the headlines. Apparently anything can happen to the pitch at Brisbane after it has rained, and that Elysian spot never suffers from drought. England lost the match, but everyone (especially the English) agree that the poorer side won.

* * *

The Communist Daily Worker is organizing petitions to Parliament asking the Commons to stop our troops fighting the innocent Chinese. Hundreds of people, thus dragooned, turned up to lobby M.P.'s but so far no member of the House has deigned to meet them.

* * *

Frost and snow arrived to remind us that winter is here, a fact which the nationalized electricity service acknowledged by announcing cuts at certain periods of the day. Just to show that the Christmas spirit is alive, the nationalized gas industry announced yet another increase in cost to its clients. Only a man of substance could afford to gas himself out of the world today, or if he did he would bankrupt his family.

* * *

Socialists Would Like To Put Tories on Spot

The Socialists are not happy. Behind the scenes many of them are saying that they would like to put the Tories in and see what they could do about it. Alternately, there is renewed talk of a coalition with Churchill as Minister of Defense, Eden as Foreign Secretary, Attlee as Prime Minister and Herbert Morrison as Leader of the House — and of course Lord Festival, as he is called.

Meantime, the House of Commons grows more critical of the Executive regardless of party differences. When the Postmaster General announced this week that the Government could not afford to allow one Christmas parcel for each soldier in Korea to be sent free by air mail, the House let out an angry roar and forced him to change his mind in three minutes.

Two days later, the unfortunate Postmaster General said that while he had made a concession in Korea he could not extend it to Malaya, but another roar drove him to cover.

Actually the P.M.G. is a very good fellow, one of the best type of Trade Union Politician, but the Treasury had given him its orders. It must have been a shock to the Treasury when the House gave its own orders to the Minister.

* * *

Gaitskell-Churchill Enliven the House

Fraying tempers resulted in an angry scene between the new Chancellor of the Exchequer, Hugh Gaitskell and Winston Churchill. The Chancellor had announced an agreement with Ceylon and India whereby Britain would pay so much a year off the debts incurred in those countries during the war.

In an exchange of questions and replies, Churchill kept demanding that these debts should be scaled down since they were incurred in the defense of Ceylon and India against Japanese invasion, and Gaitskell kept saying that it would be wrong to deny them what was due and what they needed.

At last, goaded to exasperation Gaitskell flushed angrily and snapped: "It is well understood that your attitude towards India has always been unrealistic, and if I may use the phrase, totally lacking in humanity."

With both sides shouting angrily at each other, Churchill rose like an outraged lion. Speaking slowly but with every word raspingly clear he said: "I would have hesitated before making such a filthy charge."

At which the boiler burst. Both sides were shouting "Withdraw! Withdraw!" However Mr. Speaker at last restored order and the House turned to Korea. But Gaitskell had made a serious blunder. The worst thing a British politician can do is to lose his temper in the House. As someone said, it is like leading with both your chins.

* * *

News Was Scarce On Attlee's Trip

We know nothing very much here about what is going on between Truman and Attlee in Washington. Most of us listened on the radio to his speech to the foreign correspondents and he sounded as calm and cool as usual. There is no getting over the fact that Attlee is about as tough a bantam as ever entered the ring.

But Britain is a sadly uninformed country these days. With seven-page newspapers, we can only get a summary of what is happening. Perhaps it is the realization of this which has resulted in the New York Times and the Herald Tribune sending free copies daily of their special overseas editions to M.P.'s and others who have the power of influencing public opinion. For some reason your London correspondent is on the list. It is from these friendly newspapers that we gather the real knowledge of what is happening.

* * *

We are all looking forward to the coming visit of Prime Minister St. Laurent to London. The Canada Club having entertained George Drew, will demonstrate its nonpartisanship by dining Drew's conqueror. There is a natural desire here to pay tribute to Canada in the person of its Prime Minister, and an equally natural desire to study at first hand the qualities of a man who soared to power without ever having gone through the rough and tumble of ordinary political life.

* * *

I have tried to describe the mood of London in this mad, heartbreak period through which we are passing. There is anxiety of course but no panic whatsoever. All we ask is that the situation should not be worsened by blunders and miscalculations.

If they were sure of that the British, as usual, would fly into a deep calm and get on with the serious business of Christmas.

ROY W. WILSON

a partner in the firm of Watt & Watt, Toronto, has been elected a member of the Montreal Stock Exchange.

Nov. Trading High In Industrials

MONTREAL (Staff) — November trading in industrial shares on the Montreal Stock Exchange and Montreal Curb Market, while down somewhat from October, was still the highest for November since 1936. Total was 2,089,118 shares, against 2,618,870 in October, 1,328,151 in November, 1949, and 2,385,820 in November, 1936.

This boosted the total for the first 11 months of 1950 to its highest point since 1929—19,448,849 shares, compared with 9,580,945 same period of 1949.

Shifting to the mining section, turnover for the year has hit a new high at 91,055,992 shares, compared with 37,056,394 shares in the first 11 months of 1949.

Distillers Corp. Net Profit Up

MONTREAL (Staff)—Distillers Corporation-Seagrams Ltd. reports a 48.8% boost in net profit for the first three months of the current fiscal year over the same period of 1949. Net for the quarter ended Oct. 31, 1950 totaled $17,105,112, against $11,498,450 same quarter of 1949, and $41,809,371 in the fiscal year ended July 31, 1950. This was equal to $1.96 per common share, compared with $1.31 and $4.77 respectively.

Profit after all operating charges amounted to $35,505,112 ($20,451,450) and taxes to $18,400,000 ($8,953,000).

Canada Ranked Second Among World Wealthy

OTTAWA (Staff) — Canada is one of the eight richest countries in the world according to a new world-wide study of national income prepared by the statistical office of the United Nations. On a per capita basis, we rank second only to the United States.

The information is based on 1949 estimates. It brings together for the first time, comparable figures for 70 countries. These countries account for 90% of the world's population. The eight richest countries with one tenth of the population produced 55% of world income. The 25 poorest with half the population produced one-tenth of total income.

Canada's per capita income for 1949 was put at $870 against $1,453 for United States. New Zealand is third with $856; Great Britain-sixth with $773. Russia is the lowest of all industrial countries (except Poland) with $308.

In total income, the over-all figures show United States at the top with $217 billions. Other nations in the top 10 are Britain, Russia, France, India, Western Germany, China, Canada, Italy and Japan.

Here are comparative figures for the 10 leaders in terms of total income and per capita calculations:

NATIONAL INCOME
(In Billions of U. S. Dollars)

U.S.A.	216.8	W. Germany	15.3
U.S.S.R.	59.5	China	12.3
U.K.	38.9	Canada	11.7
France	19.8	Italy	10.8
India	19.5	Japan	8.2

PER CAPITA
(U. S. $, 1949 value)

United States	1,453	Costa Rica	125
Canada	870	Turkey	125
New Zealand	856	Lebanon	125
Switzerland	849	Mexico	121
Sweden	780	Brazil	112
Great Britain	773	So. Rhodesia	101
Denmark	689	Egypt	100
Australia	679	Japan	100
Norway	587	Syria	100
Belgium	582	Peru	100
Lexembourg	553	El Salvador	92
Netherlands	502	Nicaragua	89
France	482	Iran	85
Iceland	476	Iraq	85
Ireland	420	Paraguay	84
Israel	389	Honduras	83
Czechoslovakia	371	Guatemala	77
Finland	348	Dominican Republic	75
Argentina	346	Ceylon	67
Uruguay	331	India	57
Venezuela	322	Bolivia	55
Germany (Western Zone)	320	Pakistan	51
Soviet Union	308	Afghanistan	50
Poland	300	Phillippines	44
Cuba	296	Ecuador	40
Hungary	269	Saudi Arabia	40
South Africa	264	Yemen	40
Portugal	250	Haiti	40
Italy	235	Ethiopia	38
Austria	216	Liberia	38
Chile	188	Burma	36
Panama	183	Thailand	36
Yugoslavia	146	Korea (South.)	35
Colombia	132	China	27
Greece	128	Indonesia	25

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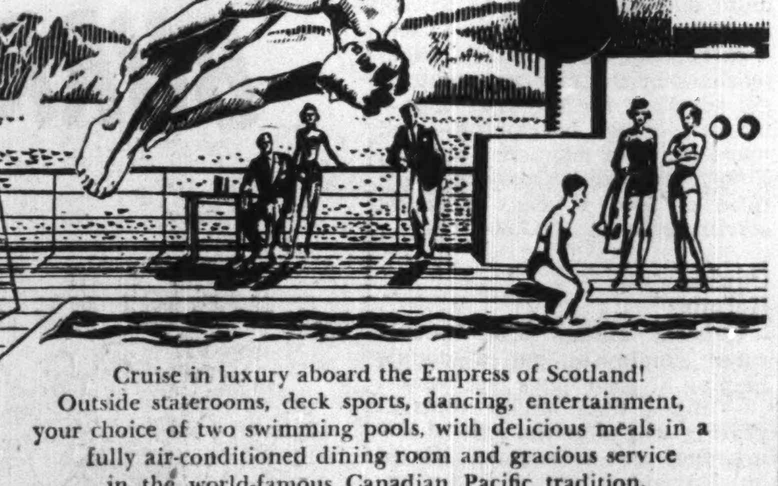
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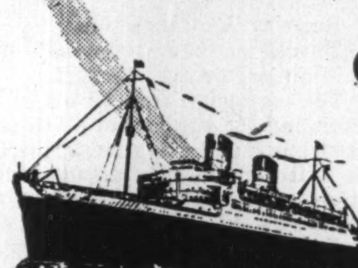
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LABOR ROUNDUP

By RONALD WILLIAMS

All Unions Launch Co-ordinated Drive They Want Controls on Prices, Not Wages

Labor in Canada is still unable to get very far politically with the individual voter (see below). But this continual rejection at the ballot box doesn't faze union leaders: right or wrong, they hold fast to their program.

Last week, after another beating at the municipal polls, they launched the biggest campaign in union history to bring pressure on the Federal Government to retain rent controls and reimpose price controls.

Behind the drive, are the four major labor groups—the first time on record they have all been united on one issue. They are:

CIO-CCL;

AFL-TLC;

Canadians and Catholic Confederation of Labor (Quebec's Syndicates);

Railway Brotherhoods.

Together they represent one million organized workers.

The campaign will be aimed at enlisting the support of all organized labor and the general public. It will include advertising, meetings, speeches and a lobby of members of Parliament at the coming session.

No doubt the whole million union members and the public at large would agree with the joint statement issued by the four groups: "The most pressing problem facing Canadians today is the continuous increase in prices."

But there will likely be far less agreement on what labor's policy-makers would do about it.

They propose price control—without wage controls. "Prices," they say, "have been free to rise at the will of the employer. Wages, on the other hand, can only be adjusted by negotiation, conciliation or even arbitration."

The one-track approach was illustrated last week when Ford of Canada announced price increases on 1951 models.

George Burt, director of the CIO Auto Workers, pounced on Ford; "No amount of weasel-wording can disguise . . . its price hikes . . . are strictly an attempt to maintain the Ford profit-making rate." He called it a "public-be-damned policy."

This outburst came shortly after Ford had given raises of from 10c-15c to around 14,000 workers. The settlement climaxed a series of wildcat strikes and stoppages as rank-and-file flagrantly broke a no-strike pledge to bring pressure on the company. At no time did Burt repudiate the wildcats or discipline the offenders, as required under the contract.

Just how may of Burt's own union members would go along with his one-way approach is hard to ascertain. This is another place where it's hard to determine rank and file feeling. Those who might differ with Burt are reluctant to tangle with him and what appears to be authorized union policy.

But even if there aren't any in disagreement, there's no doubt that the public generally feel labor's one-way approach leads up a blind alley; that price controls won't work without wage controls.

The Federal Government has come pretty good political seismographs and they appear to indicate that labor is off the track on price controls as it was in recent civic elections.

Initial Ottawa reaction to the price control campaign was as expected: the Government is determined to avoid controls as long as possible; failing this, a partial system that would not work. It would have to be all or nothing. That means wages would have to be controlled.

One of the big question marks in Ottawa's policy is: What will Washington do? Latest reports suggest the United States Government feels eventual price and wage controls are inevitable. The Korea crisis has brought the day near. In fact, it is being said that the exact day depends mainly on how long it takes to set up the U. S. machinery.

Whatever the U. S. does is expected to have an important bearing on Canadian policy. But one thing seems sure: here and in the U. S. if there is price control, there will be wage control as well.

* * *

Another Dud For Unions

If only half of Toronto's union members and their wives had voted for labor man Ford Brand, he would have headed the polls for the city's four-man Board of Control in last week's civic election. They didn't and he ran fifth.

In Windsor, with the official endorsation of just about all labor, Mayor Arthur Reaume was nosed out after 10 years in office by ex-newspaperman, and law-student, 43-year-old Tom Brophey. Reaume is an honorary member of the CIO Auto Workers. Brophey was once an active member of the CIO Newspaper Guild and the Auto union, but unexplainedly had no labor endorsation.

Both upsets served to demonstrate again that when it comes to politics at least, union rank-and-file vote as they like, not as the union policy says. A union can set policy but getting the membership to go along with it is something else.

In Toronto and Windsor, union members either voted against the candidates their unions had endorsed or didn't bother to vote at all.

What made the Toronto defeat even harder to take was the fact that this year, for the first time both major labor bodies (AFL and CIO) got together to back one man; also the only labor representative on last year's Toronto city council was beaten.

Even the despised Communists did better than that. An aroused electorate voted out the last Red on city council (Norman Freed, a member of the LPP's Politburo) and one of the two Communist school trustees (Sam Walsh, member LPP National Committee). But still in there, but by the narrowest of margins, is Edna Ryerson.

Since their wartime heyday Communist representation in Toronto civic government has been cut from a high of six to one.

In Hamilton, the Reds faired just as badly. Helen Anderson Coulson was swamped in her bid for the mayoralty. In Windsor, Mike Kennedy ended up close to last.

* * *

T. Eaton Showdown

The fate of one of the most costly union drives on record (about $100,000) will be known shortly. The Ontario Labor Board is now considering testimony and argument on the application of the CIO Retail, Wholesale and Department Store Employees union for certification as bargaining agent at Toronto stores of the T. Eaton Co.

The decision hinges on the size of the bargaining unit. The union says it only wants to act for about 11,000 employees. Last week at the hearing in Toronto it submitted over 6,000 paid-up membership cards, a majority by a safe margin. In fact, under Ontario labor laws, the union could get certification without a vote (over 55%).

However, Eaton's argued the bargaining unit should include all its Toronto employees—about 16,000. If this is accepted by the Board, the application will have to be tossed out: a union must have at least 45% before an application can be considered.

The company claimed the union started out to try to organize everyone, but quit in some divisions when it didn't get anywhere. It shouldn't be allowed to apply for just the sections where organization made headway, the company argues.

Another main issue raised was the distribution of intervention forms by the company. Eaton's admitted getting the forms printed and supplying them to employees, along with a stamped, addressed envelope to the Labor Board. It was reported that between 5,000 and 6,000 intervention forms were mailed in.

Union counsel, David Lewis, former national secretary of the CCF, charged Eaton's with a "piece of colossal, arrogant impudence," claiming the forms violated the law prohibiting intimidation and giving financial aid to one group during a labor contest.

"Nonsense," retorted company counsel, J. C. Adams. ". . . we attempted to decipher the official language of the Board (referring to a rewording of the official government intervention form). We translated and explained it and made your original invitation, shall we say, a little more cordial," Adams told the Board, with a smile.

At midweek, most observers were betting that the decision would be a draw; to settle it, the Board would order an election.

* * *

Teachers "Resign"

Teachers are beginning to exhibit some of the militant tendencies of organized labor, but still shy away from calling a strike a strike and a scab a scab.

Last week Sudbury school teachers "resigned" in a body over salary differences and the Teachers' Federation warned its members against taking the vacant jobs (scabbing, in labor jargon).

Resignations are to take effect Dec. 31, unless demands are met; $800 a year increase raising minimum starting salaries to $3,000, maximum from $4,100 to $5,400.

In Toronto, all secondary school teachers in the city and suburbs got together for the first time—industry-wide bargaining—and made uniform demands for 1951. They want an across-the-board raise of $800 a year, minimum starting salaries of $2,800.

* * *

Double Helping

General Motors 9,000 hourly rated employees got a double helping of good news last week:

—Under their union contract gearing wages to the cost of living, they got a 2c raise. (Based on November cost-of-living index).

—In Dec. a new pension plan went into effect, which will allow retirement on $55 a month at 65, after 30 years service.

(Earlier, the first workers to benefit under a similar retirement scheme at Ford of Canada, Windsor, went on $55 pension).

Both schemes resulted from campaigns conducted by the CIO Auto Workers. Both are non-contributory.

In the case of G.M., the new plan takes the place of a contributory arrangement. In the case of salaried employees, it is on an extension and revision of a combination non-contributory and contributory plan.

* * *

After The Purge Is Over . . .

Having purged its ranks of Communists, the AFL Chemical Workers union is in the midst of an organizational drive that has already brought seven new locals under the ICW banner:

Fine Chemical, Toronto

Dominion Natural Gas, Port Stanley, Ont.

Dominion Tar and Chemical, Delson, Que.

Dominion Viscose Products, Ajax, Ont.

Canada Varnish, Leaside, Ont.

Nicholls Chemical, Toronto.

Meanwhile, International President H. A. Bradley and Joe Barry, International representative, Toronto, were proceeding with their action for libel against Communist Hal Proctor, LPP organizer for East Toronto.

The action is based on statements made in a mimeographed newssheet edited by Proctor and distributed to Chemical Workers' locals during recent Red purge.

Proctor had been assigned by the party to direct party operations within the Chemical union, according to evidence brought out at the trial of 11 union members, charged with being Communists or supporting the Communist line in violation of the union's constitution.

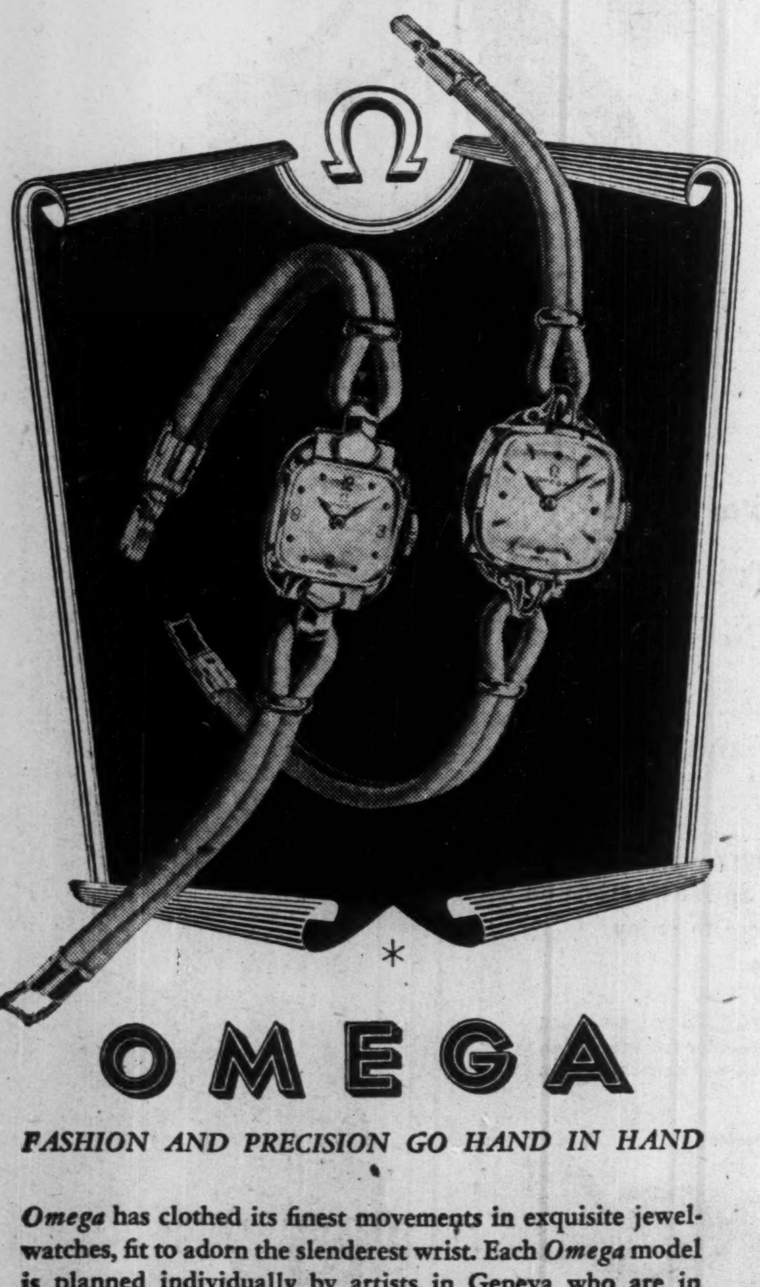
Testimony showed Proctor ran the special LPP club the party set up for chemical workers only. It had a paw in at least four Toronto locals, including the key branch of the Toronto Gas Works.

* * *

Labor Briefs

John Forsyth Ltd., Cluett, Peabody Co. of Canada, Kitchener shirt makers, and CIO Amalgamated Clothing Workers have agreed on 6% wage increase plus improved vacation allowances. New contract runs through to Sept. 15, 1951.

PRIDE OF SWITZERLAND



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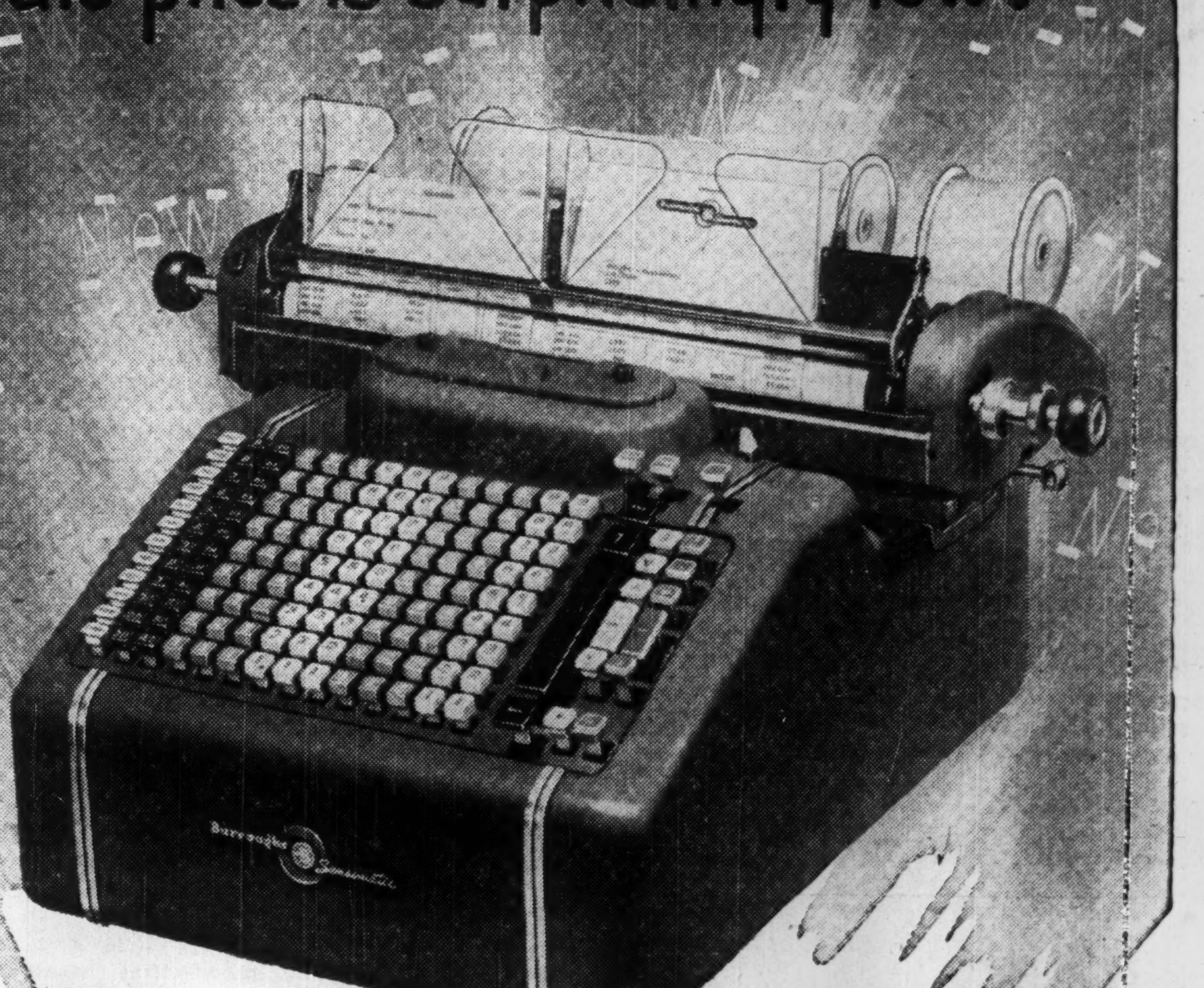

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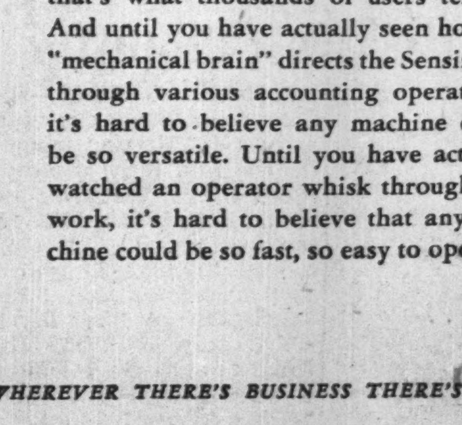

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CONSTRUCTION TRENDS

By JOHN CAULFIELD SMITH

Contract Awards to Pass $1.5 Billions; 11 Months Show 40% Gain on Last Year

At the first of the year, government and industry officials forecast Canada "might be able to maintain in 1950 the high volume of construction that was achieved in 1949." That this underestimated the eye-popping prowess of our builders is now abundantly clear.

Even if December awards should total only half as much as those of a year ago, construction in 1950 will reach the highest level in the country's history: $1.5 billions!

In November, value of construction contracts soared to $161.2 millions — over $44.0 millions or 37% higher than the awards for last November.

Cumulative figures for the first 11 months of 1950 now have reached $1,423.2 millions or $404.7 millions above the same period last year. This is a 40% increase.

Pointing out that the November total is only $3.4 millions below the midsummer peak, MacLean Building Reports comments "these are unprecedented figures for this season of the year."

Greatest advance over last year was shown in the commercial category, which also includes public buildings. Both commercial and residential construction showed gains in all regions of the country, with commercial construction registering particularly striking progress in the Maritimes.

Industrial and engineering construction, on the other hand, failed to maintain the pace set last year in the West and engineering declined slightly in Ontario. Explanation for the drop in engineering in the West is that the oil pipe line to the Lakehead was begun at this time last year.

Statistical comparison follows:

CONSTRUCTION CONTRACTS AWARDED, CANADA
(Millions of Dollars)

	—11 Mos.—		——November——		
	1950	% chge. fr. 1949	1950	% chge. fr. 1949	% chge fr. Oct.
Resident'l	513.2	+18	44.0	+40	—20
Commerc'l & instit'l	403.6	+37	48.7	+73	+11
Industrial	122.8	—22	10.5	+39	+12
Engin'ring	383.6	—50	58.0	+17	—60
Total ...	1,423.2	+40	161.2	+37	—36

(Source: MacLean Building Reports Ltd., Division of Hugh C. MacLean Publications).

• • •

EIC Branch Chartered

The Belleville, Ontario, branch of the Engineering Institute of Canada received its charter last week from Institute president James A. Vance, at an inaugural dinner. Principal speaker and guest of honor was General A. G. L. McNaughton.

The new branch is the 33rd formed by the Institute. Officers are F. F. Fulton, chairman; S. Sillitoe, secretary; W. L. Langlois, treasurer, and D. W. Bewes, councilor.

• • •

Defense Casualty

What happened to the Kingston Tropical House?

This Canadian-developed all-aluminum structure, designed as a temporary living unit for equatorial countries, had been selling like the proverbial hot cakes.

Then all of a sudden: "No more orders accepted!"

Answer lies in aluminum industry's quick switch to defense needs. But if and when the aluminum sheet situation eases, there's promise that the K.T.H. will be back on the market.

Features of the house were its light weight, easy erection, rugged construction, reflective and moisture-proof qualities. The four-room dwelling, 20 feet square, sold for $700 to $800. It was shipped in a thin, rectangular package occupying only 26 cu. ft. and weighing 1,200 lbs.

Actually, it was a splendid example of what an integrated industry can do to promote the sale of its products and at the same time raise the standard of living of people using them.

The house was developed by Aluminum Co. of Canada and a sister firm, Aluminium Laboratories Ltd. It was manufactured in England by another member of the family, Northern Aluminium Ltd., and sold throughout the world by Alcan's export distributors, Aluminium Union Ltd.

• • •

Sees Fewer Starts

The general fears created by war and gloomy headlines make it unlikely that the U. S. shelter industry can hit its 1951 production target.

This pessimistic forecast comes from Frank W. Cortright, executive vice-president of the National Association of Home Builders. He says: "My best guess as to how many new houses will rise in 1951 is a figure substantially under the 850,000 goal set by the government."

Mr. Cortright points out that the volume of housing depends on several important factors over which buyers and builders have little or no control. They include:

1. Progress of the Korean War.
2. Amount of manpower and material taken for war production.
3. Government controls requiring large down payments.

The NAHB official points out that controls have already begun to slow down the "greatest home construction team the world has ever known." Private builders started nearly 1,400,000 new houses and apartments in 1950. This is a world's record, dwarfing the previous mark of 1,025,000 made in 1949.

The industry, he says, expects starts to heavily decline during 1951 because of the war economy and government controls over consumer credit.

• • •

Private Offices Out

With rents as high as they are today, says Building, tenants face a basic problem in modernizing their offices. How can accommodation be made so much more attractive, comfortable and efficient that employees will be happier in less space?

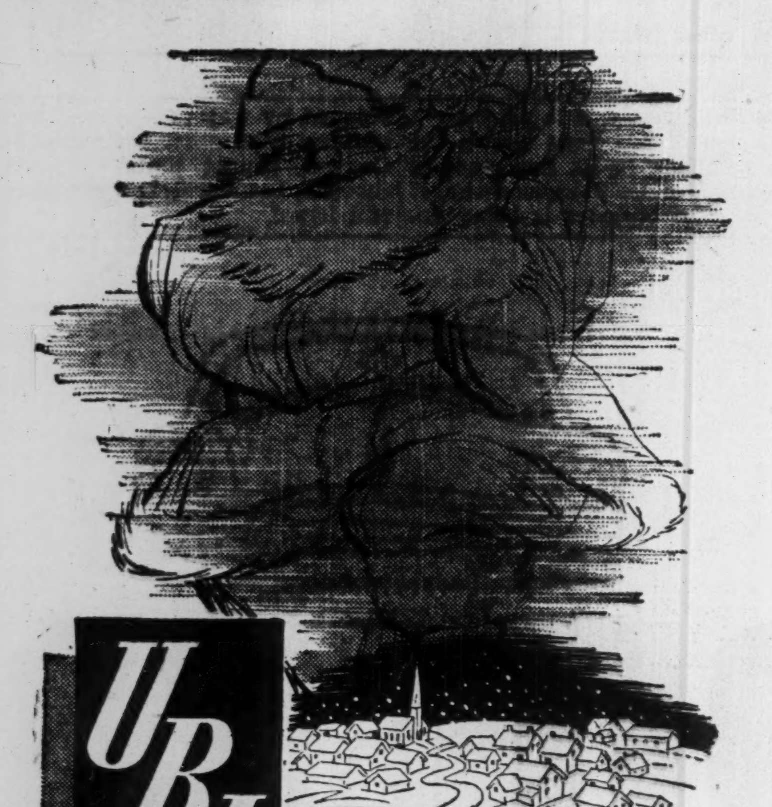
This brand-new requirement appears to have opened up a new and highly complicated field of planning, not only for architects and interior decorators, but for office equipment manufacturers and independent office design specialists. In addition, there's frequent call for the services of illuminating, acoustical and air-conditioning engineers.

The experts agree that open planning offers the best solution to the problem. By and large, it's impossible to get more people into the same space if any sizeable proportion of them retain private offices.

Private office partitions themselves take up close to 10% of the floor area, partly because workers in an 8 by 8 ft. private office "would be threatened by claustrophobia," whereas 64 sq. ft. can be made efficient and cheerful in open areas; partly because private offices around the perimeter make the interior space less attractive and psychologically uncomfortable.

Summarizing, office planners agree that open space can be made more desirable by:

1. Better organization of work areas and traffic flow.
2. Better lighting.
3. Noise control.
4. Better ventilation for non-air-conditioned space.
5. Better use of color.
6. Better provision for central storage.
7. Better local storage around employee's own desk.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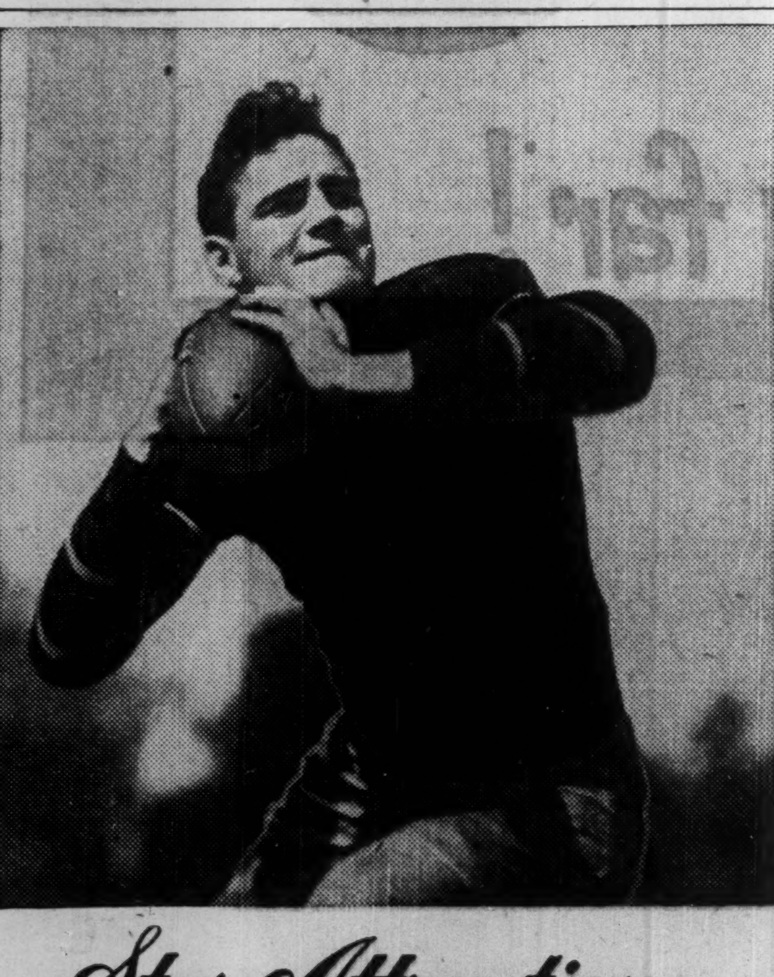
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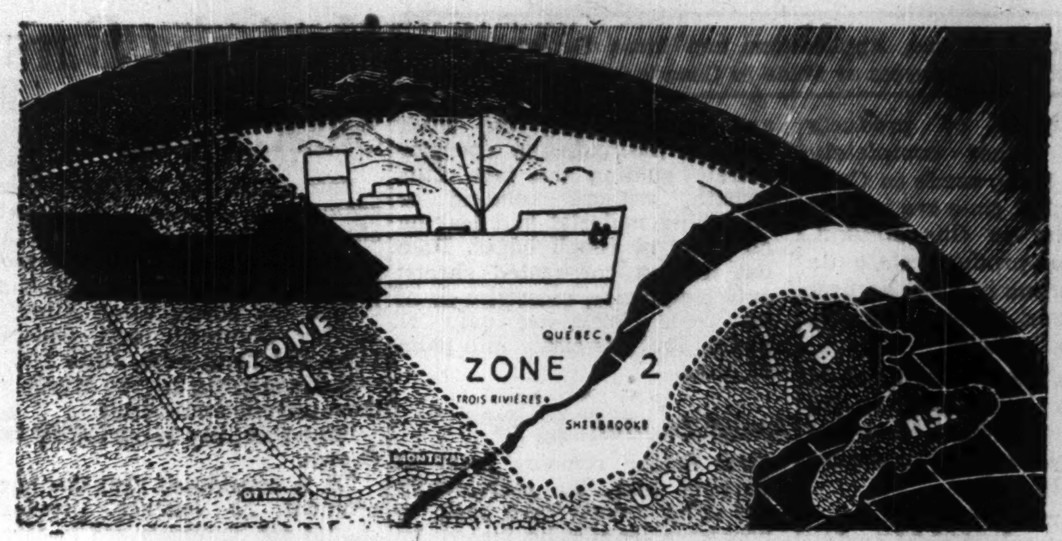

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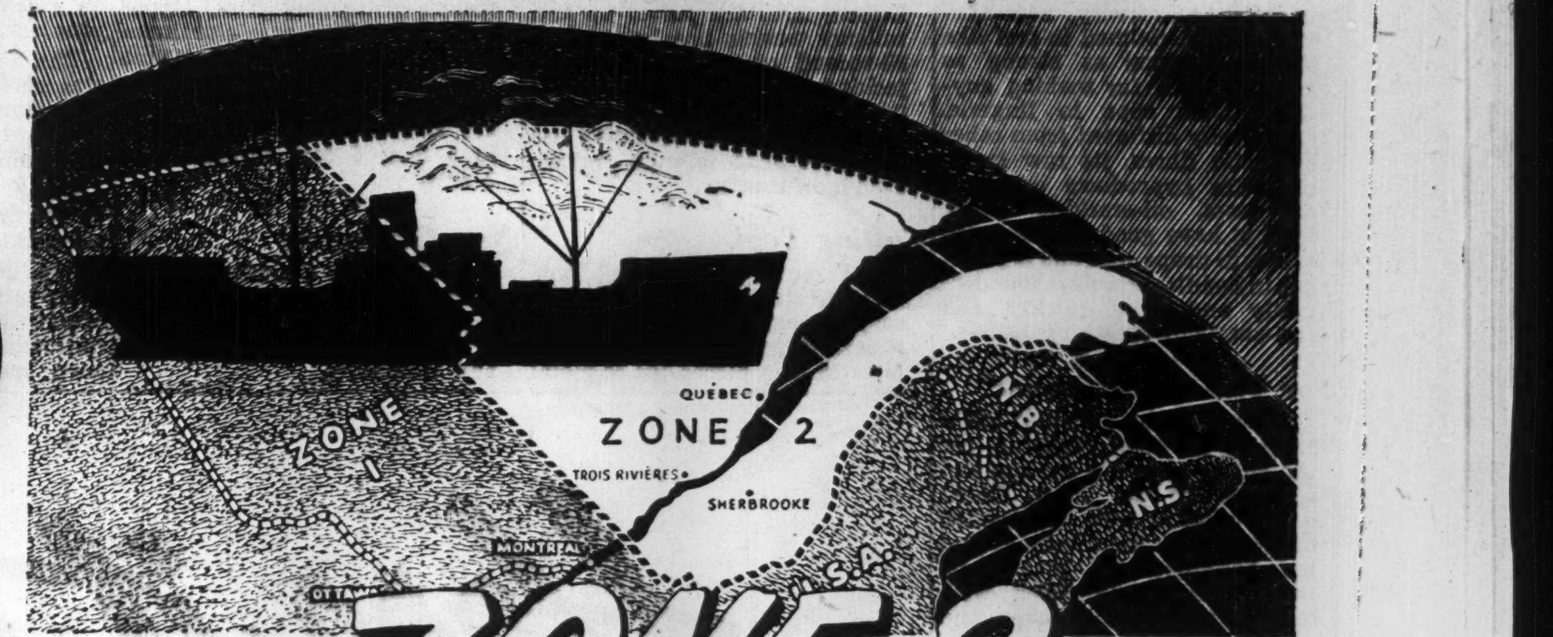

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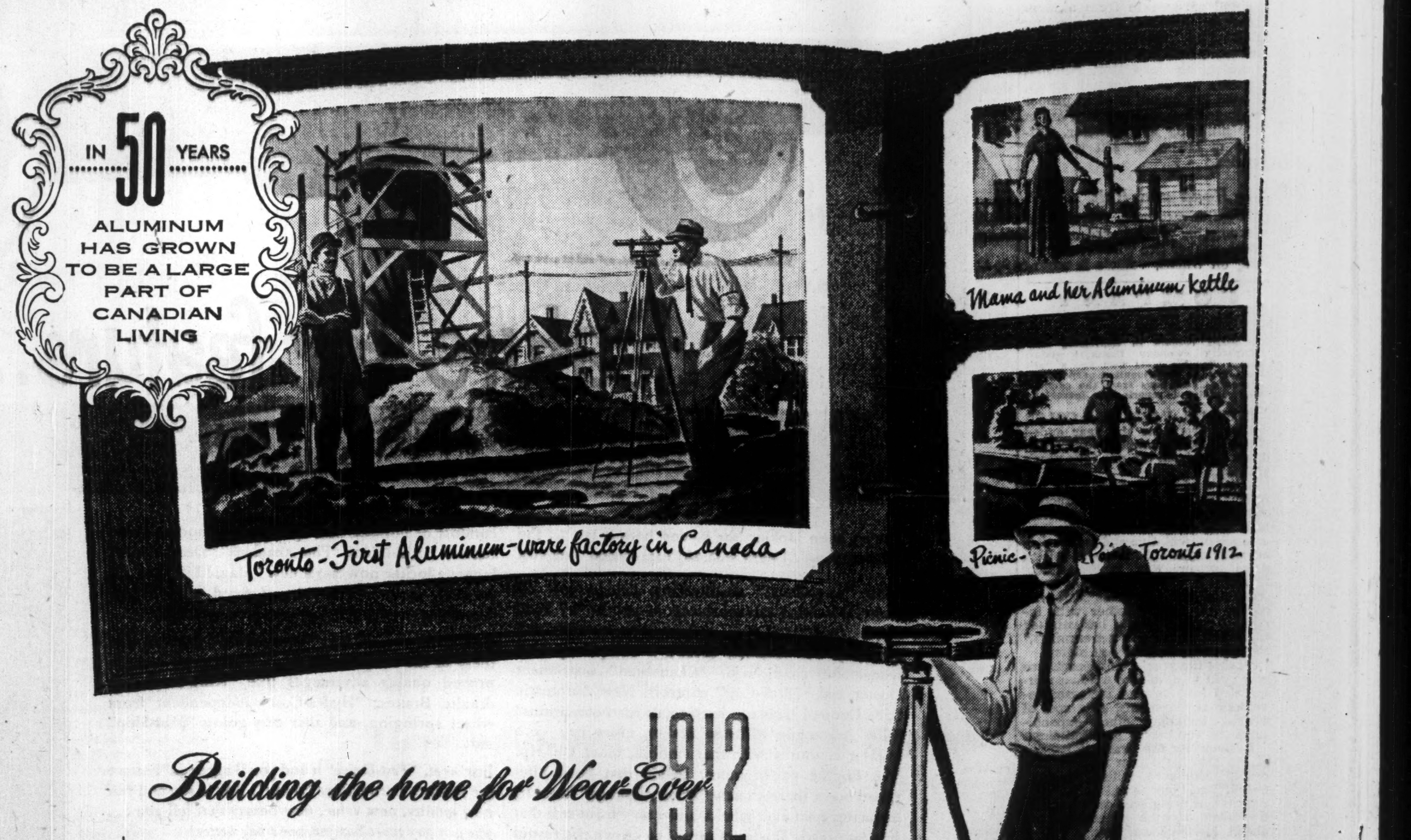


Building the home for Wear-Ever 1912

1950 is the fiftieth anniversary of the Wear-Ever line in Canada. These aluminum cooking utensils were introduced here at the beginning of the century. Their popularity grew so rapidly that, by 1912, a new factory was needed to supply the demand. This was built in Toronto. It was the first plant in Canada to make aluminum articles—and this was only a dozen years after the first Canadian smelter had started making aluminum ingots at Shawinigan Falls.

Today Alcan has twelve plants, all of them engaged in the aluminum industry, while more than 1000 independent companies across Canada shape the metal into all sorts of useful forms—from kettles to freight cars.

ALUMINUM COMPANY OF CANADA, LTD.
Producers and Processors of Aluminum for Canadian Industry and World Markets
Plants at Shawinigan Falls, Arvida, Ile Maligne, Shipshaw, Port Alfred, Wakefield, Kingston, Toronto, Etobicoke

What's New

New Products, Applications and Ideas Gathered from World-wide Sources or Made in Canada for the First Time

Television Glasses

Until such time as television sets are glareless and flickerless, eyestrain will be the inevitable result of viewing them. A New York firm is offering a special type of eyeglasses in amber, yellow and blue lenses to relieve strain, and said to eliminate 75% of the television glare. Clip-on models are available for wearers of ordinary glasses; the maker suggests use for night driving, as well.

* * *

New Fibre

A British discovery, new synthetic fibre, claimed to feel like silk and twice as strong as cotton; useful for making anything from rope to lingerie. Chemically different from other synthetic fibres, its raw materials are byproducts of crude oil from oil-cracking plant. Said to have good textile properties, to drape well and is pleasant to handle, new fibre launders easily and dries quickly, and has excellent crease resistance.

* * *

For The 'In-Betweener'

A cross between a bicycle and a tricycle is now available for the child too young for one and too old for the other. Chain drive trike is well constructed of cycle-type steel tubing, and has hand-operated brakes. Its three wheels are fitted with high tensile cycle spokes and rubber tires.

* * *

For Borehole Fishing

Problem of recovering broken oil equipment from boreholes seems to be solved by a precision engineering firm who claim to have a permanent magnet, made from the latest types of magnet alloys more powerful than any produced. New magnet has a pull of 20 lbs. per square inch, said to be increasing shortly to between 35 and 45 pounds.

* * *

Eliminates Hanging

No need to hang clothes on a line with new hamper. Installed in the hamper is a fan and heating unit, for drying clothes. When emptied of clothes, hamper can be used to heat bathrooms.

* * *

Guards Against Theft

Thieves would have a hard time syphoning gas from pipe with new keyless locking gas cap. Fitting far into pipe is metal grid on end of cap. Cap itself has side screws and ratchet mechanism making it extremely difficult to remove. Installation claimed to be simple.

* * *

Insurance For Breakage

A stainless steel gadget neatly removes half of egg shell without damage to yolk of egg.

* * *

Farmers' Standby

For use in emergency power cut-offs is AC generator, designed to operate from a farm tractor. After disconnecting powerline electricity, farmer attaches belt from tractor power take-off to generator, running tractor at 60% normal speed. Speed can be adjusted to proper voltage through generator outlet for plugging in voltmeter. Output is 115 v. or 230 v. at 60 cycles.

* * *

For Road and Rail

Versatile gasoline-powered plant locomotive can be used on road with rubber tire wheels; for riding on tracks, vehicle is moved across the track at right angles. Rubber tires are pulled up and railway wheels are lowered in 30-second operation. Hydraulic jacking power makes vehicle useful in railway car handling. Weighing 3 tons, locomotive has top speed of 20 mph on ground, 9 mph on tracks.

* * *

Cutting Tool

Sheet metal cutting tool now being distributed nationally is easy to operate. Attached to the chuck of any electric drill, tool bites ⅛ inch pieces out of metal and travels along the work without pushing, the operator merely guiding the tool. Cuts smooth, without bending or stretching material and leaving no burrs or rough edges. Does not deform corrugated sheets; cuts lengthwise, crosswise or at an angle. Weighing only 11 ounces tool fits easily into palm of hand.

* * *

Level Ladder

New ladder remains level at varying tilts, by individually adjusting treads and rack to necessary lengths by inches, by means of locking bars. Upper legs of ladder are aluminum and are combined with movable wooden legs with rubber caps for additional safety. Two sizes are available: 3 feet adjustable to 5 feet; 6 feet adjustable to 8 feet.

* * *

New Catalogues

Marinite—The Canadian Johns-Manville Co. Ltd. is distributing a booklet on the uses and properties of marinite for building and insulating.

Manufacturers of products which are either completely new or are being made in Canada for the first time are invited to contribute to this column. Describe the product, state its purpose, outline in what respect it is new, and indicate its significance to its field.

Enquiries concerning items in this column should mention the heading to the item, and the date of issue in order to ensure prompt reply.

Manitoba Bars Sask. G. & F.

Refusal of the Manitoba Government to license the Saskatchewan Guarantee & Fidelity Co. to sell insurance in that province makes four provinces to take that action, the others being Alberta, British Columbia and Ontario (The Financial Post, June 17).

Reasons given by the Manitoba Government were that:

"The company is owned by the Crown.

"It is considered that the government of another province should not be authorized to carry on a commercial business in this province."

The Saskatchewan G. & F. Co. was purchased by the Saskatchewan Government a year ago and is operated by the Saskatchewan Government Insurance Office.

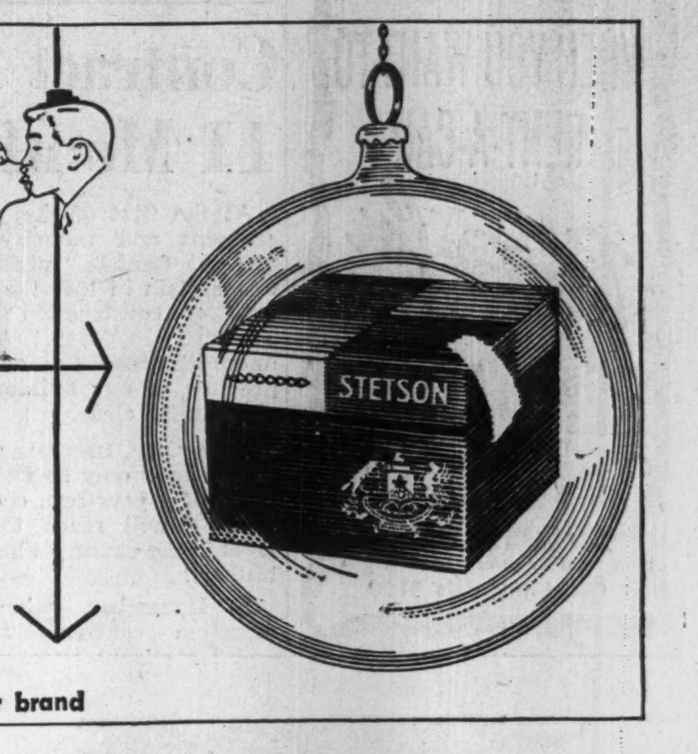
O. W. Valleau, vice-chairman of the Saskatchewan G. & F. Co. commented:

"As in the case of the three other provinces, the company was prepared to meet all license requirements. The excuse has again been made that a commercial business owned by one province should not be allowed to operate in another province.

"We feel that this stand is merely a front for a concerted campaign against the expansion of Saskatchewan's publicly operated insurance program.

"Despite the refusal by other provinces to permit this company to write directly, a rapid growth in business has been shown for the company in its first year of operation under the new management. The business is being developed by way of a reinsurance business with other companies in Canada, United States, Iceland, Sweden, Britain, Belgium, France and Israel.

Husbands and lovers
and boyfriends and brothers
and fathers and sons
will appreciate STETSON
gift certificates for Christmas



Christmas morning, each lucky man on your list receives a miniature Stetson hat and box with his certificate (you get them at any Stetson dealer's from $8.50 up). You receive a big kiss for letting him pick the style and color he likes best! P.S. If he's out of town, give him a National Certificate, redeemable at any Stetson dealer's from coast to coast.

More people wear STETSON HATS than any other brand

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

IMPERIAL VARNISH & COLOR CO. net profit for the year ended Aug. 31, 1950, amounted to $122,686, down 1.9% from the previous year's $125,010.

Sales during the year were improved mainly due to introduction of a new product, "Flo-Glaze Colorizer." The company is the only Canadian representative and is associated with eight U.S. firms in selling paint under this new method. "Naturally, the first year of store trade operations has been somewhat costly, and this, together with increased material costs, has resulted in a small decrease in net earnings," President G. C. McEwen states.

During the year, a new warehouse was built to eliminate uptown storage and take care of increased inventory requirements, at a cost of $67,378, including other expenditures on equipment and buildings.

Business for the first two months of the 1950 fiscal year appears favorable compared with the same period last year and, unless war restrictions are placed on the industry, some months of activity are ahead, Mr. McEwen says.

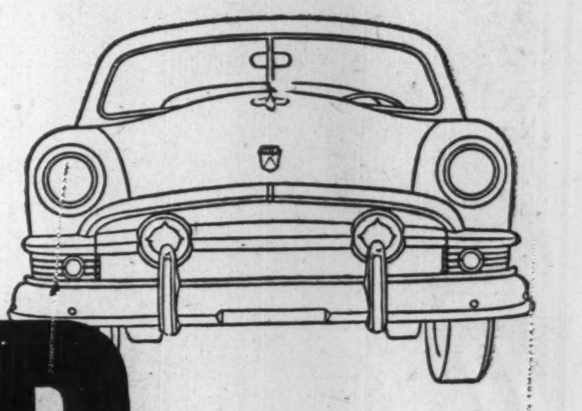
INCOME ACCOUNT

Years Ended Aug. 31:	1950	1949
Net oper. income	$261,530	$261,154
Less: Deprec. res.	61,844	59,860
Income tax	77,000	76,284
Net profit	122,686	125,010
Less: Pref. divds.	16,083	16,083
Com. divds.	58,971	58,971
Surplus for year	47,632	49,956
Earnings per Share and Dividend Record:		
Preferred	$11.44	$11.66
Paid	1.50	1.50
Common	1.99	2.03
Paid	1.00+0.10	1.00+0.10
Pref. & com. (partic.)	1.91	1.94

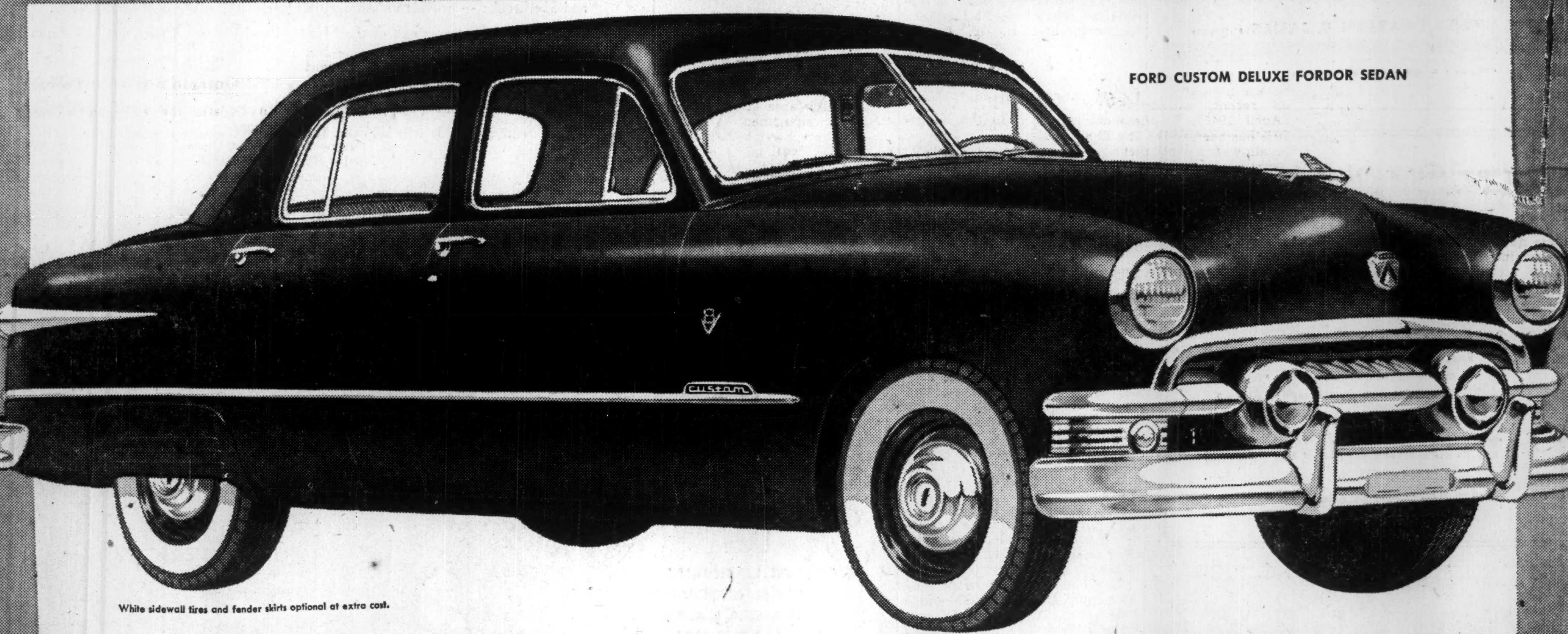
CONDENSED BALANCE SHEET

As at Aug. 31:	1950	1949
Cash	$763	$114,570
Accts. rec.	365,315	258,954
Investments	10,947	10,947
Inventories	805,725	633,527
Total curr. assets	1,182,750	1,017,998
Misc. assets▲	60,933	40,765
Fixed assets†	486,462	480,625
Total assets	1,730,145	1,539,388
Due bank	41,925	......
Accts. & tax. pay.	377,089	275,890
Dividends pay.	17,423	17,423
Total curr. liab.	436,437	293,313
Invent res.	150,000	150,000
Capital stock	357,400	357,400
Earned surplus	786,308	738,675
†After depr. of	685,724	626,003
▲Incl. ref. EPT	2,725	8,701
Working capital	746,313	724,685

Here it is!

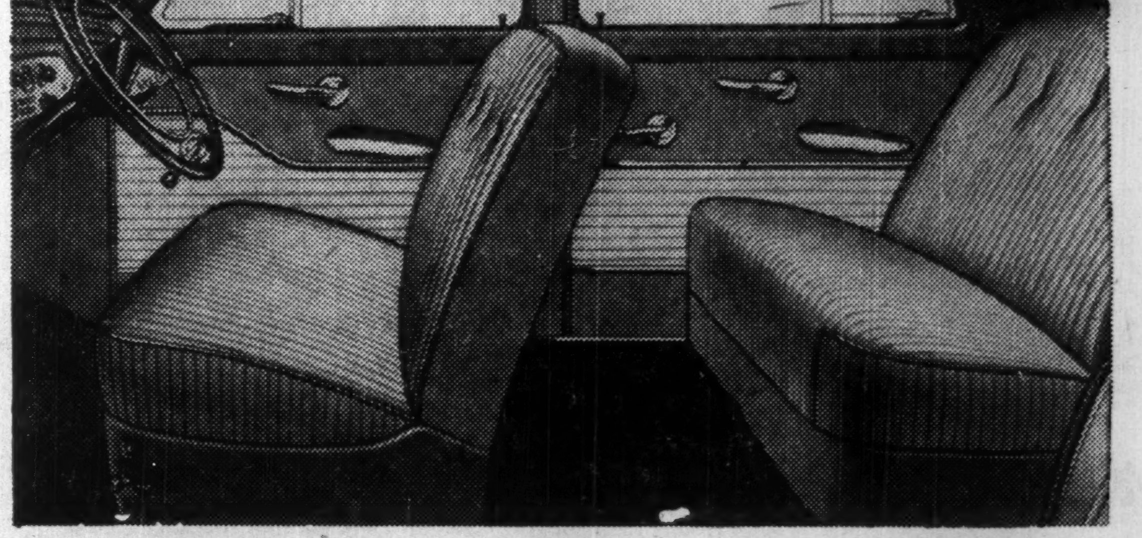


NEW '51 FORD



White sidewall tires and fender skirts optional at extra cost.

feature for feature...finer by far!



You've been looking for it, and here it is : : : the thrilling new '51 Ford *with 43 "Look-Ahead" features!*

Now "step-ahead" engineering brings you 43 forward-looking advancements to put the '51 Ford far out front in beauty, performance, comfort and economy. *For instance,* there's a completely new instrument panel with "Chanalited" instrument cluster and "Glow-Cup" controls. New Automatic Ride Control regulates itself to all road conditions! New Automatic Mileage Maker gives you even greater economy with that smooth, quiet 100-Hp. V-8 Engine performance. Inside that Ford Lifeguard body, there's a new "Luxury Lounge" interior, featuring even finer fabrics and a new front seat that has Automatic Posture Control to crown the restful comfort of non-sag seat springs and modern foam rubber cushioning. The spacious "Deep Deck" luggage locker now has a new "Magic Lift" Lid . . . perfectly counterbalanced and fitted with a new Key-Release latch for easy *one-hand* opening.

Yes, there are 43 *new* "look-ahead" features like these in the new '51 Ford . . . along with famous, proved quality advantages like "King-Size" Hydraulic Brakes, "Hydra-Coil" independent front wheel springing, and that easy-going "Mid-Ship" ride.

Just *see* it, *"Test-Drive"* it and you'll agree . . . "Feature for feature, Ford's finer by far". You'll see and *feel* new quality, new value, new beauty that tell you . . . *you can pay more but you can't buy better!*

Radio listening you'll enjoy . . . "Ford Theatre" every Friday night.

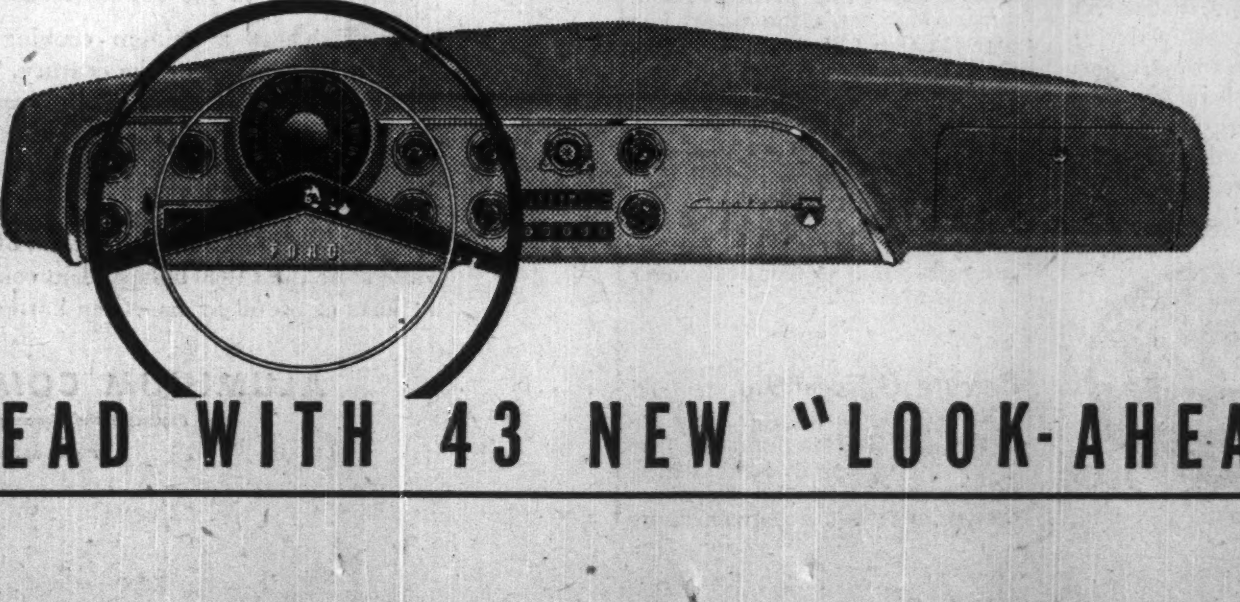
NEW "LUXURY-LOUNGE" INTERIORS

feature new appointments, fabrics, colours . . . and the fine quality of non-sag, foam-rubber covered front seat springs.

NEW INSTRUMENT PANEL

New "Glow-Cup" controls and "Chanalited" instrument cluster . . . new Key-Turn Starting . . . feature the completely new, stunningly styled instrument panel with perforated satin silver surpanel.

See it NOW at your FORD dealers



A PRODUCT OF FORD OF CANADA

Ford MONARCH

FORD STEPS AHEAD WITH 43 NEW "LOOK-AHEAD" FEATURES

The Financial Post

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Should Canada Build the Seaway Alone?

Here's the Cost, How We'd Do It If U.S. Delays Joint Action Plan

By KENNETH R. WILSON

Come peace or war, the greatest material needs of North America are power and iron ore. We'll also need more base metals; maybe more continental oil deliverable in eastern markets.

Where will we get these? What new routes and sources can we tap? How quickly? At what cost?

There is only one practical answer that fits all these questions: The Great Lakes-St. Lawrence-Lachine Power and Seaway Development.

That's why the Canadian Government, angry and disappointed with three decades of delay, has just now said officially: "If we can't get a joint international seaway in early '51, we'll press for a joint power development and build the 27-ft. ship channel ourselves, on the Canadian side of the International Rapids section."

Is the Canadian seaway practical? What will it cost?

Two responsible Canadian cabinet ministers (Hon. Lionel Chevrier, Minister of Transport, and Hon. L. B. Pearson, Minister of External Affairs) have stated Canada's intention of considering an all-Canadian route. No one has yet given any indication of the cost.

Here are the facts:

1. An all-Canadian seaway is completely feasible; has a number of important advantages over the joint Canada-U. S. plan. (The actual route itself is charted publicly for the first time in the map on this page.)

2. The extra physical cost of an all-Canadian seaway is only $30 million more than the international route. This is an official estimate given The Financial Post by Transport Minister Chevrier.

3. Actual dollars-and-cents cost increase to all Canadian governments of the all-Canadian route would be about $200 millions. That's because under the 1941 Treaty (never yet ratified by the U. S. Senate) the U. S. makes a cash allowance for her share of work already done by us—chiefly our $132 millions expenditure to put 27-foot locks in the Welland Canal in the 1920's.

Working Out the Cost

What's the over-all cost of the entire project? Is it something beyond our capacity to undertake?

The detailed estimates of over-all cost are shown in an adjoining table. They are based on recent, exhaustive Canadian studies (April, 1949). To these estimates a further 10% has been added (by The Financial Post) to allow for subsequent cost and price increases.

In brief, these estimates show:

1. The over-all cost of a 27-ft. seaway in the controversial international rapids section of the St. Lawrence River (plus 2.2 million hp. of electric energy) would be between $460 and $490 millions at today's prices.

2. An extra $242 millions would complete the channel to 27-ft. depth from Montreal to Lake Superior.

3. An additional $200 millions would provide 1.2 million hp. in the Lachine section adjacent to Montreal.

4. The share of all Canadian authorities in this program would be $420 millions if we did the job jointly with the United States; $617 millions if we did it ourselves.

5. Out of these Canadian costs about $400 millions could properly be charged to hydro-electric power in Ontario and Quebec. That distribution would give Canada 11 to 13 billion kwh of energy annually at the incredibly low price of about 2 mills at site and 3.5 mills delivered to load centres. (The comparable cost of steam power is 7 mills.)

6. For a net expenditure by the Federal Government of $217 millions we would own and control the entire deep-seaway channel from Lake Erie clear through to Montreal. We would then be free to fix and charge our own schedule of tolls free from interference by the U. S. A.

What the Project Offers

What's important about this proposition is that when broken into its several and proper parts the power-seaway project becomes something very reasonable in terms of present-day Canadian development and needs. We need no longer be awed by thinking of the seaway as a huge billion-dollar scheme.

What we are really talking about is:

(1) A three-pronged hydro-power plan capable of giving the cheapest accessible electric power in the world to three of the greatest industrial areas on the continent: New York, Ontario and Quebec. (Each would get something over one million horsepower of high load factor electric energy, capable of delivering to each area at least 6 billion kwh. annually at phenomenally low cost. The cost of this horsepower would be in the neighborhood of $200 millions to each area.)

(2) A 27-ft. all-Canadian seaway channel costing another $200 millions. (A very reasonable price, when it's remembered we spent $130 millions 25 years ago to build the Welland Canal—a canal whose investment could never be justified without the completed seaway.)

(3) A further expenditure of $90 millions by the U. S. A. to deepen locks and channels under its jurisdiction in the Great Lakes.

Official Canadian View

So far, the official government position at Ottawa is this: that we still think the Canada-U. S. program is the best, but that if we don't get action very soon, we're very seriously considering the all-Canada project.

Said Minister of Transport Chevrier on Nov. 21:

"Canada has entered into an agreement with the United States for the joint development of power and navigation on the St. Lawrence. Canada believes that this agreement, with certain modifications if need be, is the best for all parties concerned. It was arrived at after years of careful study by competent engineers, both American and Canadian. We in Canada hope that this agreement will be implemented.

"But let there be no mistake about it—if it is impossible to obtain the joint development referred to in the 1941 Agreement, then consideration must be given—as indeed it already has—to an all-Canadian route."

What he was really saying was that the national interest now makes imperative a power and seaway development in the St. Lawrence at the earliest possible moment. We're therefore prepared to cut our losses (i.e., abandon the cash considerations which make the joint scheme so attractive to Canada) and get ahead with it on our own.

Why do this now, in light of all other critical demands on manpower, materials, etc.?

There are three compelling reasons:

1. Power shortage;
2. The Ungava development;
3. Defense considerations.

Power needs are daily becoming more critical in the three areas affected: New York, Ontario and Quebec. Even in September, 1948, the Bureau of Power of the U. S. Federal Power Commission reported that "a market exists for the project output as soon as it can be made available." Since then, power demand, stimulated more recently by the spiraling defense need, has risen astronomically.

For New York, the only available alternate source is steam power which will cost two to three times the St. Lawrence figure. In Quebec there are remaining alternates in the Ottawa River and at Beauharnois. But new capacity must be provided shortly and it is important for Hydro Quebec to know where it stands on the Lachine development.

Ontario's Power Picture

In Ontario the situation is much more serious.

The increase in demand in 1950 on the Southern Ontario system has been beyond all expectations. This upsurge started last August. It has maintained a steady ratio of increase. Currently the load is running at the phenomenal rate of 20 to 25% above corresponding figures a year ago.

This demand has outstripped every projected expansion. It has caused a complete revision in the timetable by which Ontario Hydro had planned to use and distribute power from its present construction program and from its huge projected expansion at Niagara Falls.

Since the end of the war to Dec. 31, 1950, a total new generation of 507,000 hp. will have been placed in operation on the Commission's systems. The continuing Hydro program from 1951 to 1955, inclusive, will add a further 1.1 millon hp.—a program which a few months ago would, it was believed, cover anticipated needs right through to 1958 or 1960.

Now, Commission Chairman Robert H. Saunders tells The Financial Post:

"In order to have an adequate supply of power for Ontario, we must have initial deliveries of power from the St. Lawrence River by 1956. Since the minimum period of construction would be five years, that means authorization will be required and work must be started in 1951.

"And if, meanwhile, a considerable increase in defense loads, or in steel or other basic industry should materialize, it is entirely possible that additional power may be necessary prior to 1956.

"The only considerable source of power and energy left to us now is the St. Lawrence development. This would make available to Ontario Hydro a total of 1.1 million hp. Failing this, it would be necessary to provide additional power by means of steam plants. The cost of steam in our province would be two to three times the cost of St. Lawrence energy."

Moving Iron Ore

The second compelling reason for development of the St. Lawrence is the epic decision to develop the huge iron ore and mineral deposits at Ungava.

It is true that money is being raised and the ore development planned, without certain knowledge that the St. Lawrence seaway will be completed to 27-ft. depth. But all known facts about the mineral potentialities of this area point to the need and desir-

(Continued on page 24)

What Seaway-Power Would Cost

COST ESTIMATES OF COMPLETING GREAT LAKES-ST. LAWRENCE-LACHINE 27-FT. SEAWAY AND 3,600,000 H.P. POWER DEVELOPMENT

(Millions of Dollars)

	As an International Project		As an All-Canadian Project	
Sectional Breakdown	Total Cost	Canada's Share*	Total Cost	Canada's Share
I. Great Lakes:				
Upper Lakes	87.6	..	87.6	..
Welland Canal	1.2	1.2	1.2	1.2
II. Thousand Islands	1.6	..	1.6	..
III. International Rapids	421.0	72.1	451.2	*251.2
IV. Lake St. Francis	2.2	2.2	2.2	2.2
V. Soulanges	33.0	33.0	33.0	33.0
VI. Lachine	266.3	266.3	266.3	266.3
Totals	812.9	374.8	843.1	553.9
Plus 10%‡	81.3	37.5	84.3	55.4
	894.2	412.3	927.4	609.3
Other Charges †	8.0	8.0	8.0	8.0
Total	902.2	420.3	935.4	617.3

* Assuming N.Y. pays $200 million for its 1.1 m h.p. in international section.
† To be paid to Quebec for works already built.
‡ Probable increase in costs since April, 1949.
* Based on 1941 Treaty division of costs.

Note: Figures used are official Canadian estimates published June, 1949, in a Report "The Great Lakes-St. Lawrence Deep Waterway" issued by General Engineering Branch, Department of Transport. There are three variations however: (a) a new estimate for the cost of the all-Canadian seaway; (b) an assumption by The Finanical Post that New York's share of power costs under an all-Canadian plan would be of the order of $200 million; (c) an arbitrary increase by The Financial Post of 10% in all costs, to allow for price increases since April, 1949.

How the 'Most Popular' Stocks Behaved Since 1947

Here's the Record of Gains, Losses in Issues Chosen by Brokers for Post

Which 10 Canadian stocks do you consider the best hold over the next three years?

Three years ago, The Financial Post put that question to members of the Canadian stock exchanges. Now, at the end of the specified time period, The Post reports on their selections. They chose, in all, 119 companies. Of those, the stocks of 89 have increased in value. Listed below are the 20 "Most Popular"—most often named in the original choices. The record of the complete list will be found on page 19.

By JAMES H. JOYCE

Three years ago The Financial Post asked members of Canadian stock exchanges to name the 10 Canadian stocks they would recommend for purchase then, to be held for three years.

The record shows that, in spite of all the uncertainties that surround the investment business, and particularly in view of the international situation, the investment dealers scored a good percentage. Of the 119 stocks they chose, 89 are selling higher than they were three years ago.

The details are given in the accompanying tables; here are some of the highlights:

(1) Of the 20 "most popular" stocks, 16 are selling at a higher price than three years ago.

(2) In one of the stocks—Canadian Celanese Ltd.—an investor could have more than tripled his money in the period.

(3) In another three stocks—Ford Motor Co. of Canada, Aluminium Ltd. and Hiram Walker-Gooderham & Worts—an investor could have more than doubled his money.

(4) Of the four "most popular" stocks which are lower than three years ago, one—Fanny Farmer Candy Shops—is more than 38% below its Dec. 1947 level and another—Canadian Breweries Ltd.—is nearly 25% below its Dec. 1947 level.

(5) The stock which received the second greatest number of votes—Bell Telephone Co.—is lower than it was in December, 1947, 1948 or 1949.

(6) Of the 20 "most popular" stocks, six have gone down in price in the past year below their level of a year ago. These are Bell Telephone Co., Building Products Ltd., Kerr-Addison Gold Mines, Fanny Farmer Candy Shops, McIntyre Porcupine Mines and Canadian Breweries Ltd.

(7) Of the stocks of 119 different companies mentioned in the lists turned in, 89 are selling higher than three years ago, 28 are selling at a lower price and two are selling at the same price.

(8) Nine stocks, in addition to the four among the 20 "most popular" have more than doubled in price in the past three years. They are: Home Oil up 197.6%, Steep Rock Iron Mines up 196%, Canada Cement up 150.7%, Westeel Products up 144%, Abitibi Power & Paper up 131.4%, Standard Paving & Materials up 126%, Massey-Harris Co. up 116.4%, Zeller's Ltd. up 114.2%, Howard Smith Paper Mills up 111.7%. Thus in 13 out of 119 stocks an investor could have more than doubled his money in the past three years.

(9) Twenty-six of the 119 stocks were up between 50% and 100%. They are: Algoma Steel, Brown Co., CPR, Canadian Westinghouse, Cockshutt Plow, Consolidated Paper, Dominion Bridge, Dominion Engineering Works, Dominion Glass, Dominion Stores, Falconbridge Nickel, Industrial Acceptance, Imperial Oil, International Paper, International Power, Leduc-West Oil, H. R. MacMillan Export "A," Noranda Mines, Northern Trusts, Page-Hersey Tubes, Price Bros., Quemont Mining, Russell Industries, Steel Co. of Canada, Traders Finance "A" and Winnipeg Electric.

(10) Another 23 of the 119 stocks are up from 25% to 50%.

The timing of any investment is always an important factor. This was stressed in the replies of many brokers who did and did not submit lists of stocks. It is well illustrated by the price movements of the stocks mentioned.

Two other fundamentals of successful investment also stressed were:

(1) The necessity of continuous supervision so that changes are made to meet changing conditions.

(2) The necessity of considering the requirements of the individual investor.

Some of the stocks, which are now down as compared with their price three years ago, were higher at times during the three year period, so that an investor who was watching the market continually and astute enough to sell out could have achieved a better result than shown if he had held these stocks throughout the period.

The record of the 119 stocks is given in the table on page 19.

Here's Record of 20 Which Topped the List

	No. of Votes	Dec., 1947 Price $	Dec., 1948 Price $	Dec., 1949 Price $	Recent Price $	Change Since 1947 %	Div. Rates‡ $	Yield %	Earned per Share* $	Recent Price Times-Earnings
Consol. Mining & Smelting	26	96	124	111	126½	+ 31.8	9.50	7.51	12.69	10.0
Bell Telephone Co.	21	42½†	42½	41	39½	— 7.1	2.00	5.06	1.20	32.9
Aluminium Ltd.	18	43	58½	58¼	87	+102.3	3.45	3.97	7.16	12.2
H. Walker-Gooderham & W.	18	25⅞	27¾	37⅝	52¼	+101.9	3.55	6.79	9.68	5.4
International Paper Co.	16	29⅛†	28¼†	37¼†	50¼	+ 72.5	3.00	5.97	7.12	7.1
International Nickel Co.	16	32	34½	31⅜	37¼	+ 16.4	2.00	5.37	2.08	17.9
Moore Corp.	15	73	74	77	95♦	+ 30.1	3.60	3.79	5.92	16.0
Canadian Celanese Ltd.	14	15½†	22½	29	48	+209.6	2.40	5.00	4.33	10.9
McColl-Frontenac Oil	12	12½	14¼	15⅝	16⅞	+ 35.0	0.85	5.04	1.54	11.0
Ford Motor of Canada	11	22¼	25½	25	48⅝	+118.5	3.00	6.17	10.40	4.7
Imperial Oil	11	14¼	19¼	22⅜	26¾	+ 87.7	0.55	2.06	0.88	30.4
Building Products Ltd.	11	28¼	32¾	34½	31	+ 9.7	1.60	5.16	3.34	9.3
Hudson Bay M. & S.	11	42	56¾	48	51½	+ 22.6	5.00	9.71	4.61	11.2
Kerr-Addison Gold Mines	10	15¼	13¾	18⅛	16	+ 4.9	0.78	4.88	0.83	19.3
Fanny Farmer Candy Shops	9	48⅝	36½	36	30	— 38.3	2.00	6.67	2.77	10.8
McIntyre Porcupine	9	60½	52¾	67⅛	53	— 12.4	3.01½	5.69	3.28	16.2
Canadian Industries Ltd.	9	22½	22	23½	30	+ 33.3	0.87½	2.92	1.24	24.2
Price Brothers	9	66¾	57	62	106♦	+ 58.8	5.50	5.19	12.64	8.4
Canadian Breweries Ltd.	9	23¼	19⅞	23⅞	17½	— 24.7	2.00a	11.42	2.25b	7.8
George Weston Ltd.	8	27	24	25½	28½	+ 5.6	1.00	3.51	2.72	10.5

† Adjusted for stock splits.
* For latest fiscal year available.
‡ Based on payment in 1950 or indicated rate.
♦ Old stock—now split on four-for-one basis.
(a) Rate now changed to percentage of earnings—will likely be lower this coming year. (b) Preliminary.

"WE SHALL MAKE OUR COUNTRY SAFE"

To Bring on Second Round of Inflation Would Be "Letting Our Team Down", Says President of Dominion Bank

Robert Rae, President
Addresses 80th Annual Meeting of Shareholders

As the General Manager will comment fully on the Annual Statement, I will not refer to it further, other than to say that the Bank had a good year, with total assets, loans and deposits at an all-time high; I trust the shareholders will view with satisfaction the results obtained.

Canadians will recall, as the most striking event of 1950, the jointly-prompted Russian and Chinese aggression against Korea on June 25th last, which may possibly make that date a no-less important landmark in history than August 4th, 1914, and September 3rd, 1949, have proved themselves to be.

Outstanding among domestic events in Canada, was the bold step taken on October 2nd, when it was announced that our dollar would no longer be "pegged" on the foreign exchange market, but instead would be permitted, in free dealings, to discover its own true value.

With reference to the first of these developments, Canada's minimum outlay for defence may next year absorb more than one-fifteenth of the National income; and we can set no limit on the still greater burden which our defence needs may compel us to bear in later years.

In regard to the currency decision, this was a good move. Canadians may justifiably be pleased that when our dollar was freed, instead of declining it increased in value, relative to the currencies of other countries, and is now moving within quite narrow limits.

Business has been active. Prices of the principal raw materials have been rising on world markets—in many cases, very fast. Thus the dollar shortage, world-wide for years, has been eased in many quarters.

Unfortunately, the cost of living in Canada tends also to rise under such conditions.

Menace of Further Inflation

In addition, the vast programme of rearmament, which Communist aggression has forced on the still free countries, menaces all of us with further inflation during the next five or ten years, perhaps to a greater degree than that which occurred during and after World War II.

It is vital that all of us, government and citizens alike, should mobilize against this.

Our Government conceivably might follow the line of least resistance—might borrow most of the money needed for rearmament. But it has wisely declared against this policy.

I hope, therefore, we need no longer make a fetish of keeping down artificially the rate of bond interest as we might be tempted to do if our Government did intend to borrow from the public on a substantial scale. Ultra cheap money never did anyone any good.

During the past five years there has been an almost continuous increase in the number of Canadian dollars—currency and bank deposits taken together—per head of the Canadian people. I cannot but feel that this was partly due to the practice of creating new credit from time to time, in order to sustain the market for government bonds whenever the public showed signs of a tendency to sell them, in any but relatively small amounts.

Whatever might be said on other grounds for the practice of sustaining the market for government bonds in this manner, there can be no doubt that its long run consequences are inflationary. We should, therefore, welcome its discontinuance.

Must Not "Let Our Team Down"

What of our own conduct, as citizens?

Each of us might press for increased salaries and wages; might insist on spending for luxury needs, as though peace were assured.

But for us to do these things would be for us to cause and to bring on ourselves, this impending second round of inflation. Acting thus, we would simply be "letting our own team down", My belief is that we will act otherwise.

Some Canadians, fearing inflation, call for Government controls.

But World War II taught us quite a lot about controls. We know that while making an all-out war effort, or defence effort, by means of the direct control of wages and prices we can postpone inflation for awhile. But we know too that, ultimately, we cannot prevent inflation by means of these controls.

In order effectively to prevent inflation we must use other means, which require of us the same self-discipline and respect for the needs of others, as is asked of troops in war.

We live in a grim world. Even in Canada's vigorous economy there are limits, at any given moment, to the capacity for increasing production.

So, for the sake of Canada's rearmament and defence, we must be ready soon to give up, if need be, certain luxuries or comforts. To produce enough rockets and armour, carriers and planes, we must put up for awhile with less than we would like of the good things used in peace.

Work Hard: Make Our Country Safe

We shall make our country safe; we shall experience a minimum of shortages, if each of us during this period of crisis, whatever the task in front of him, works harder and more efficiently than before.

Canadians, fortunately, do not lack confidence in themselves. But in a vast half continent, we still are all too few for the needs of Canada. Quite apart from defence requirements, there is urgent present need, as well, to create and use new sources of energy for ordinary peacetime purposes from coal, petroleum, rivers or any source whatever.

We are in the process of doing that now in the Western oil fields, at Steep Rock Lake and in Labrador. But we still possess only four-fifths as much mechanical power in all its forms, per head of population, as is possessed by our neighbors in the United States. Until we can match, on this basis of comparison, their equipment of energy, the Canadian dream of raising our standards of living and of comfort, to the level of theirs, will not be realized.

Canada Needs More People

Resources are ours, in the greatest possible abundance. In this dangerous world, there is now no land where life can be lived more securely than here. But in spite of the recent speed-up in our own rate of population growth, in order to realize our dreams for this Dominion—to create this equipment, and by means of it, achieve these living standards—we need more and more people.

In other lands there are millions of good and energetic folk, disillusioned by the recent course of events in their own countries, eager to start life again elsewhere, enthusiastic at the mere thought that they might be permitted entry to this Dominion; the thought that they might in course of time—and upon proof of merit—become citizens of Canada.

These are potential immigrants. We need the best of them—and in substantial numbers.

Let me recall briefly what once happened here.

During the ten years of Canada's most rapid population growth between census counts (in the decade from 1901 to 1911) the net rate of increase in the number of persons born abroad, but successfully settled in this Dominion, was about ninety thousand per annum; or in very general terms, one-seventieth of our total population (immigrant and native-born combined) during each of those ten years.

Canada's present population is estimated at fourteen millions. Thus, we would now be receiving immigrants on about the same scale as we did during the decade ending 1911, if we were increasing our settled immigrant population now by the net total of two hundred thousand persons per annum.

But in order to secure such a net increase per annum in our immigrant population (after allowance for the deaths of immigrants admitted in earlier years, and for the subsequent departure from our shores of some dissatisfied newcomers) we should in all probability need now to receive into this country something like two hundred and fifty thousand persons from abroad per annum.

Canada and Australia Compared

What numbers have we been receiving, of late?

In 1948, one hundred and twenty-five thousand immigrants entered Canada from abroad;

In 1949, the corresponding number was ninety-five thousand;

During twelve months, up to July, 1950, the number was seventy-five thousand.

Our annual average during these years was thus less than one hundred thousand—and at present, the stream is diminishing.

There is a sharp contrast between our Canadian experience of immigration, and Australia's, during the same years.

In 1948, Australia received slightly fewer than forty-nine thousand immigrants. But in 1949, she received one hundred and forty-nine thousand.

It is estimated that by the close of this year she will have received, within twelve months, no less than two hundred thousand immigrants.

There is no doubt in my mind that Australia's eagerness to receive immigrants, and success in attracting them, will in the long run greatly benefit our sister Nation.

Our own country's population is nearly twice that of Australia. Proportionately therefore, our own intake of newcomers from abroad still is quite small.

Two principal objections have been raised in Canada against the proposal that we should follow the same bold course as Australia. These are,

First—the coming of large numbers of immigrants into Canada might deprive Canadians of jobs;

Second—it would intensify the present shortage of housing.

Perhaps five years ago these might have been good grounds for caution. Not so to-day, when our most urgent problems are due to the shortage of manpower.

Will Make More Jobs for Canadians

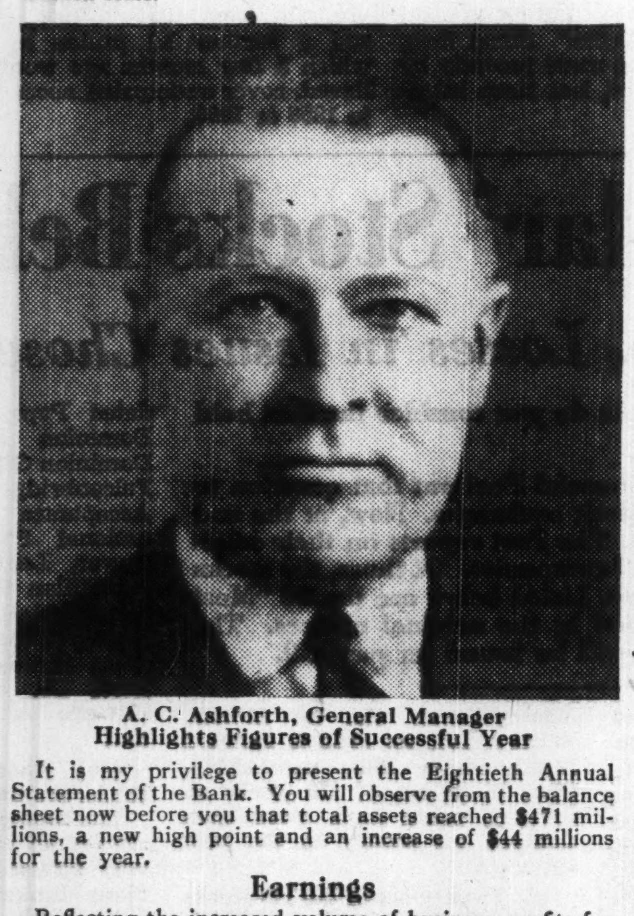
From the standpoint of the Canadian people—all the fourteen millions of us—there are not enough of us to do the work that needs to be done, for the common benefit of all Canadians, and for their safeguarding.

One of our problems is, of course, that there are not enough hands here to lay bricks of badly needed buildings. But let us be frank with ourselves: we lack sufficient skills of all kinds. There will be more jobs for Canadians everywhere when, in the key spots of industry, the key skills are made more plentiful. In other words, the coming of the right immigrants will multiply, not narrow, the range of jobs in this country.

If, during this crisis in the life of mankind, we can manage to bring over new Canadians on twice or three times the scale indicated by recent experience, we certainly shall be serving two constructive purposes:

In the first place, we shall be strengthening ourselves to do to-morrow's tasks;

In the second place—and I say this with full seriousness—by sharing our abundance with others, formerly less fortunate than ourselves, we shall be practising the Golden Rule.



A. C. Ashforth, General Manager
Highlights Figures of Successful Year

It is my privilege to present the Eightieth Annual Statement of the Bank. You will observe from the balance sheet now before you that total assets reached $471 millions, a new high point and an increase of $44 millions for the year.

Earnings

Reflecting the increased volume of business, profits for the year, after making full provision for all bad and doubtful debts, amounted to $2,595,761.—an increase of $364,091. Government taxes were up $65,000., while depreciation on premises was increased from $395,475. to $450,083. In addition to the amount provided for depreciation on premises, it was considered advisable to make a special appropriation of $250,000. from profits after taxes, to further write down Bank Premises Account.

The usual dividend of $1. per share was paid and provision made for an Extra Distribution of twenty cents per share, which will be paid on December 15th. This leaves a net of $155,678. carried forward to Profit and Loss Account for the year. From the Profit and Loss balance of $1,511,383. your Board of Directors decided to transfer $1,000,000. to Reserve Fund which now stands at $11,000,000. in relation to Paid-Up Capital of $7,000,000.

I am sure you will agree that satisfactory progress has been made during the year.

Strong Liquid Position

Cash Assets at the year-end amounted to $90 millions and were equivalent to 20.63% of the liabilities to the public. Quick, or readily realizable, assets including Government, Municipal and other high-grade bonds, together with Call loans fully secured by first-class marketable stocks and bonds, totalled $185 millions and, along with cash assets, equalled 62.77% of liabilities to the public—indicating a very healthy liquid position.

Call and Short loans in Canada at $6 millions compares with $4 millions as of 31st October, 1949. This is the result of slightly more activity and higher prices in the security markets. Call and Short loans elsewhere than in Canada amounted to $8 millions and represent advances made at our New York Agency and London, England Branch against first-class securities. Loans of this character are always subject to repayment within a matter of hours.

Current Loans

Current Loans and Discounts in Canada totalled $169 millions as compared with $157 millions a year ago—an increase of $12 millions. This not only reflects a larger number of borrowing customers, but the higher general level of prices and the increased tempo of business activity. On the other hand, our loans on the security of grain were down substantially at the end of October. Early in September severe frosts over an extensive area caused considerable damage to what had every promise of being a bountiful harvest this year in Western Canada. Along with this, harvesting of the crop was delayed by unfavourable weather conditions which caused further deterioration. While it is estimated that the number of bushels of wheat grown in the Western Provinces is close to 100 millions more than the preceding year, a very large percentage of the crop is below milling standards. A favourable trend developing from this situation, however, has been the increase in the number of livestock being fed for market in Canada. By doing so, many of our farmers consider they will realize more for their low-grade grain than they would by selling it.

Rates of Interest

One of the chief functions of a Bank is lending money and the revenue derived therefrom is still the principal source of income of the banking system. The rates of interest charged are reasonable and equitable. Notwithstanding the substantial increases that have taken place in the cost of doing business, interest charged borrowers remains unchanged.

Deposits

Total deposits by the public at $412 millions were up $46 millions from a year ago. Of the increase, $38 millions were in non-interest bearing deposits and $8 millions in deposits bearing interest. During the past twelve months Savings deposits in Canada have not increased as rapidly as in any year since the termination of World War 2, a trend we regret to observe. Balances due to the Government of Canada decreased $8 millions. I am very pleased to report that we continue to experience a very satisfactory increase in the number of customers, both commercial and savings. Our books disclose that many of our customers have dealt with us for periods exceeding fifty years, which leads us to believe that the quality of our service must be satisfactory and the relationships cordial; however, we are always striving to improve our service and increase our clientele.

Shareholders

The Bank now has 2,835 shareholders, an increase, we are pleased to report, of 109 during the year, and we welcome them to our ranks.

New Branches

It has been, and will continue to be, our policy to expand the operations of your Bank to keep abreast of the economic development of Canada and the growth of her population. It costs a lot more to-day to develop a Branch Bank and operate it than it did a few years ago and, consequently, a Branch is established only after a most careful survey is made to assure us there is need for banking service and that the operation will be profitable within a reasonable period of time. We might add that we have every reason to be satisfied with the Branches opened since the close of the war. During the year, nine Branches were established at the following points:

ALBERTA	Calgary, Eighth Ave., West (new main office)
	Edmonton, Jasper Ave. and 103rd St.
BRITISH COLUMBIA	Quesnel
MANITOBA	Winnipeg, Broadway Ave. and Donald St.
NEW BRUNSWICK	Moncton
NOVA SCOTIA	Halifax
ONTARIO	London, Dundas and Dorinda Sts.
	Newtonbrook
	Wilson Heights

You will observe that the new Branches are widely distributed throughout Canada.

Since the end of October, a Branch has been opened in the West End of Edmonton, and elsewhere eight more are in the process of being developed. Our Branches now total 154, including our offices in London, England, and New York. Our Agency in New York and our office in London, England, continue to provide excellent service to those travelling abroad, as well as assisting business interests who may be considering entering the Canadian market.

Bank Premises

The substantial increase in our Bank Premises Account reflects heavy expenditures made in acquiring new properties and in enlarging and modernizing premises at many points where the expanding business demands it. Favourable comment has been received respecting our new office building at Halifax as well as that in London East, which is regarded as a model banking edifice. The extensive renovations to our Ottawa premises are nearing completion and we hope to have full possession by the end of the year. The building will be a credit to the Bank in the Capital City. The erection of our main office in Vancouver is still in progress and is expected to be ready for occupancy within three months. As already mentioned we considered it advisable to write down land values of certain of our properties by the special appropriation of $250,000.

Staff

It is my happy privilege to again offer to the Staff our tribute of praise for the efficiency and untiring energy displayed in the performance of their duties. During the past year I have had the pleasure of visiting numerous Branches across Canada and of meeting a large number of our Managers and other officers and can personally testify to their loyalty and zeal in furthering the interests of the Bank. I am very proud of our Staff and wish to express to them my grateful appreciation for the splendid service they have rendered so willingly and unstintingly.

I would repeat what I said last year that young men with matriculation or university standing might well consider the field of banking as a career. All executive and managerial positions are filled by men who have commenced as junior clerks and have risen from the ranks. In these progressive days young men of initiative and talent will find that promotion will not be long delayed and their efforts will receive adequate financial recognition.

General Business

Business in Canada has continued at an exceedingly high level of activity and is experiencing a further uplift from defence spending, but the future is very unpredictable as each day brings its new problems. When I spoke to you a year ago little did I think we would see within so short a time some of our splendid young men again actively participating in a war against aggressors. For some time the international situation has been deteriorating and the grave events now facing us have made most Canadians more and more conscious of the need of defence for our own country. The Government of Canada is committed to very substantial expenditures for this purpose. I am not going to attempt to say whether or not these go far enough, but it is desirable that the financial burden be met, as far as possible, through taxation. This will mean higher taxes and, in accepting this additional burden, the Canadian people are justified in expecting effective curtailment of all non-essential expenditures.

In the light of Robert Rae's calculation that Canada's immigration objective should be from 200,000 to 250,000 new good citizens yearly, this country is falling far short of looking after its best interests.

Shareholders of The Dominion Bank who heard their President's vigorous plea at the annual meeting for a policy more than twice as effective as that which has been followed since the war years will find this figure an effective challenge to all the hesitations and vague fears which have attended post-war immigration policy discussions.

For me, a total of 250,000 which means a net increase of 200,000, awakens none of the doubts that would be active if it were proposed to bring in 1,000,000 new citizens a year at this stage. On the other hand shortages of goods, services, skills and workers make plain that Canada would be in far better shape today if it had opened its doors every year since 1945 to three times as many potential new Canadians as it actually did last year. That triple objective is Mr. Rae's proposal.

Mr. Rae shows further that he is probing close to Canada's real needs when he shows that in the first decade of this century, Canada prospered mightily by bringing in immigrants in the same percentage to population that he now proposes. Australia, to complete the case, has taken care of a much greater percentage of immigrants to population.

There is an old saying "It's an ill bird that fouls its own nest." So it is equally vital for the sake of present Canadians and the attraction of new that Mr. Rae's warning against inflationary policies should be heeded. Certainly the potential new Canadians we would profit most from will not come to a new land subjected to policies which they know produced the evils from which they suffered in the old. However hard may be the anti-inflationary ways of meeting the great defence expenditures ahead, it will be much more hopeful for both new and old Canadians if it is plain that the problems ahead are to be met by greater output per capita, by harder and more intelligent work and by sound fiscal policies.

Every thinking Canadian should agree with Mr. Rae that it will be no solution to multiply the dollars of purchasing power for each earner and consumer by cheap money when an inevitable result is that each dollar is worth less.

Many who have not thought much on these matters in the past will realize better after reading Mr. Rae's address and those of other bankers familiar with what makes Canada's economy tick, just what inflationary influences has been exerted in recent years by a policy of keeping interest rates artificially low and how far price and wage controls have fallen short of doing anything permanently for the protection of citizens' interests. For a growing Canada, such policies would have an adverse influence.

By WELLINGTON JEFFERS

Capital $7,000,000 — *Reserve Fund* $11,000,000

THE DOMINION BANK

80th ANNUAL STATEMENT

31st October, 1950

ASSETS

Deposits with and notes of Bank of Canada		$ 50,424,891.72
Notes of and cheques on other Banks		26,169,475.84
Other Cash and Deposits		14,183,390.61
Total Cash Assets		$ 90,777,758.17
Dominion and Provincial Government Securities (*not exceeding market value*)		154,587,158.48
Municipal and other Bonds and Stocks (*not exceeding market value*)		15,275,349.98
Call and Short Loans (*fully secured*)		15,580,545.05
Total Quick Assets		$276,220,811.68
Commercial Loans and Discounts		175,443,053.67
Bank Premises		6,878,758.24
Liabilities of Customers under Letters of Credit and Acceptances (*as per contra*)		12,208,385.44
Other Assets		336,473.97
		$471,087,483.00

LIABILITIES

Deposits		$425,872,353.21
Deposits by other Banks		13,648,058.25
Acceptances and Letters of Credit outstanding		12,208,385.44
Other Liabilities		529,973.03
Total Liabilities to the Public		$452,258,769.93
Capital Paid Up	$ 7,000,000.00	
Reserve Fund	11,000,000.00	
Dividends declared and unpaid	317,329.41	
Balance of Profits as per Profit and Loss Account	511,383.66	18,828,713.07
		$471,087,483.00

PROFIT AND LOSS ACCOUNT

Profits for the year ended 31st October, 1950, after making appropriations to Contingency Reserves, out of which full provision for bad and doubtful debts has been made		$ 2,595,761.89
Depreciation on Bank Premises	$450,083.21	
Provision for Dominion and Provincial Taxes	900,000.00	1,350,083.21
Net Profits		$ 1,245,678.68
Dividends	$700,000.00	
Provision for Extra Distribution—20c per share, payable 15th December, 1950	140,000 00	840,000.00
Amount appropriated to write down Bank Premises		250,000.00
Amount carried forward		$ 155,678.68
Balance of Profit and Loss Account, 31st October, 1949		1,355,704.98
		$ 1,511,383.66
Transferred to Reserve Fund		1,000,000.00
Balance of Profit and Loss Account, 31st October, 1950		$ 511,383.66

ROBERT RAE, President — THE DOMINION BANK · ESTABLISHED 1871 — A. C. ASHFORTH, General Manager

THE DOMINION BANK

Established 1871

NEW APPOINTMENT

ROBERT CAMPBELL BARTRAM, whose appointment as general manager of McCuaig Bros. Inc., of Montreal, Members Investment Dealers' Association of Canada, has been announced by Major General G. E. McCuaig, president of the firm. Born in Ottawa, Mr. Bartram went to England in 1941 to assume the managership of a war plant under the auspices of the Ministry of Supply and was subsequently Joint Managing Director of W. B. Bartram Sons & Co. Ltd., flax processors of Northampton, England; a director of the Association of Flax Processors in Great Britain Ltd., a director of Barnack & Co. Ltd., and a director of the Flax Processors Trading Co. Ltd. He returned to Canada recently to assume his present position. *

Mersey Paper Co. Offers Shares

MONTREAL (Staff) — An issue of 50,000 4½% cumulative redeemable $100 par preference shares of Mersey Paper Co. is being offered publicly at par by Royal Securities Corp.

The shares are a block purchased from shareholders and do not represent new financing. They were issued to common shareholders as a stock dividend on the basis of three preferred shares for each 10 common held. Creation and issue of 59,308 preferred shares for this purpose was approved by common shareholders at a special general meeting last week, as part of a plan to capitalize the company's earned surplus.

Prospectus in connection with the offering shows nine months' earnings this year of $2,368,902, only slightly below the record $2,476,187 net profit for the full year in 1949. Prospectus states that company proposes to issue a further 9,915 preference shares early in 1951. When the total amount outstanding reaches the authorized $7 millions annual dividend requirement will be $315,000.

DOMINION TEXTILE CO. reports a total of 2,549,282 common shares outstanding at Nov. 30.

The Three-Year Record Of Most Popular Stocks

Following is the annual record and comparison with 1947 price of the 119 stocks chosen by members of the Canadian stock exchanges in 1947 in reply to The Financial Post Question: Which 10 Canadian stocks would you recommend to buy now for a three-year hold?

	Votes	Dec. 1947 Price $	Dec. 1948 Price $	Dec. 1949 Price $	Recent Price $	Change Since 1947 %
Abitibi Paper	4	17½	14⅝	21⅝	40½	131.4
Acadia At. Sugar "A"	1	19⅞	22	24¾	22½	13.2
Algoma Steel	3	13½	13½	14⅛	25¼	87.0
Aluminium	18	43	58½	58¼	87	102.3
Asbestos Corp.	2	26	25¾	24¾	35	34.6
Bank of Montreal	2	27⅛	26	28	29¾	9.7
Any Bank Stock	2	....	....	....	....	....
Bates & Innes	1	17	16	13	14†	—17.7
B. C. Power "A"	1	26	26½	27⅞	29¼	12.5
Bell Telephone	21	42½	42½	41	39½	—7.1
Brazilian Traction	1	19⅛	18½	19¼	21	9.8
B. A. Oil	5	22½	23¼	26½	28	24.4
Brown Co.	1	57⅞	4	3	9	53.2
Building Products	11	28¼	32¾	34½	31	9.7
Burlington Steel	1	12½	13	14	17¾	4.2
Burns & Co. "A"	1	30	30¾	28	39⅜	31.3
Canada Cement	2	18¼	24	34½	45¾	150.7
Can. North. Power	1	12¼	9½	12	10½	—14.3
Canada Packers "A"	1	37½	32⅞	36½	40	6.7
Can. Bank of Com.	1	23	23	24¾	26¼	14.1
Can. Breweries	9	23¼	19⅞	23⅞	17½	—24.8
Can. Canners	1	20¾	18⅜	20½	23½	13.3
Can. Celanese	14	15½‡	22½	29	48	209.7
Can. Fire Insur.	1	19½	18¾	19¾	21½†	10.3
Can. Industries	9	22½	22	23½	30	33.3
C. P. R.	1	13⅛	16¼	17	21½	63.8
Canadian Tire	1	28	22	29½	38½	37.5
Can. Westinghouse	1	40⅝	54	58½	70	72.3
Coast Breweries	1	3.45	3.25	3.40	4	15.9
Cockshutt Plow	1	11¾	12⅝	15⅛	20⅛	71.3
Commercial Alcohols	1	4½	6	2¾	4	—11.2
Consolidated Paper	6	18½	17⅝	19	30¼	63.5
Cons. Min. & Smelt'g	26	96	124	111	126½	31.7
Consumers' Gas	1	155	151¼	158	163	5.2
Can. Ind. Alc'l A (a)	1	14	11⅞	8¾	10½	—25.0
Distillers-Seagrams	1	20	18¾	20½	28	40.0
Dome Mines	6	22	16½	17¾	14¼	—35.3
Dominion Bridge	1	31½	28½	39⅜	52	65.1
Dom. Engineer'g Wks.	1	42	45	52½	65	54.8
Dom. Foundries & St'l	5	29¼	26	27¼	39⅜	34.6
Dominion Glass	1	39	39¾	46½	61	56.4
Donnacona Paper	1	25	20½	17½	24	—4.0
Dominion Stores	2	6.56‡	5.90‡	8½‡	11¾	79.1
Dom. Tar & Chem.	2	22	22	24	29½	34.1
Dominion Textile	1	12¼	11⅞	11½	12	—2.1
Falconbridge	1	4½	4.45	4.80	7.70	71.1
Famous Players Can.	5	17½	14⅝	15	16⅛	—7.9
Fanny Farmer Candy	9	48⅝	36½	36	30	—38.4
Ford Motor of Can.	12	22¼	25½	25	48⅝	118.6
Fraser Cos.	1	26¼	28¼	25	36¼	38.1
Gen. Steel Wares	1	16	15¼	17¾	18¼	14.1
Giant Yellowknife	4	6.10	4.80	6.40	6.10	....
Globe Oil	1	0.51½	0.70	0.64	0.47	—8.8
Gordon McKay "A"	1	10½	10¾	10½	9½	—9.6
Great Lakes Paper	5*	19	15⅜	13⅝	27¼	43.4
Gyp. Lime & Alta. Cn.	5	15½	16⅝	18½	20¾	33.9
Hollinger Cons.	6	11¾	12⅜	10	10⅛	—13.9
Home Oil	2	4.55	13.00	12½	13½	197.6
Howard Smith Paper	1	30	31	37¼	63½	111.7
Hudson Bay M. & S.	11	42	56.75	48	51½	22.6
Ind. Acceptance	2	17	20¼	30¾	30½	79.4
Inglis, John	1	9½	8⅞	8¾	13¾	44.7
Imperial Oil	11	14¼	19¼	22⅜	26¾	87.7
Imperial Tobacco	3	13⅞	13⅜	14¼	13	—6.4
Inter. Paper	16	29⅛‡	28¼‡	37¼‡	50¼	72.5
Inter. Metal Ind. "A"	1	29	26	28⅛	40½	39.7
Inter. Nickel	16	32	34½	31⅜	37¼	16.4
Inter. Petroleum	3	12¾	12⅞	8¾	12	—5.9
Inter. Power	1	50	44½	48	94	88.0
Kerr-Addison Gold	10	15¼	13.75	18⅛	16	4.9
Labrador Min. & Exp.	2	6¾	5.90	4.60	6.10	—9.7
Lake of Woods Mil'g	1	32	26½	26½	26½	—17.2
Lake Shore Mines	1	14	11¼	13¾	8¾	—37.5
Leduc-West Oil	1	0.53	0.87	0.79	0.95	79.2
Labatt, John Ltd.	2	24	23	20	18⅜	—23.5
Loblaw Groceterias	1	30	30	32	31½	5.0
Macassa Mines	2	3.10	2.18	2.53	2	—35.5
MacMil'n, H. R. Ex. A.	1	10	10	9½	15¼	52.5
Madsen Red Lakes	2	3¼	2.40	3.10	2.10	—35.4
Massey-Harris	4*	16¾	22¼	20¾	36¼	116.4
McColl-Frontenac Oil	12	12½	14¼	15⅝	16⅞	35.0
McIntyre Porcupine	9	60½	52.75	67⅛	53	—12.4
Maclaren Pwr. & Pap.	1	45	39	37	48½	7.8
Minn. & Ont. Paper	5	23	21¾	16½	23½	2.2
Molson's Brewery	2	38	35½	49½	54(b)	42.0
Montreal Loco. Works	1	16½	19¼	21	16½	....
Moore Corp.	15	73	74	77	95	30.1
Modern Containers	1	14	13½	13½	18	28.6
National Breweries	2	44	37½	36¾	20⅛	—54.3
National Grocers	1	16	14¾	12¾	11	—31.3
National Trust	1	28¼	29	28½	29¾†	5.3
Noranda Mines	3	46¼	55	68	69½	50.3
Northern Trusts	1	17½	34	34	34†	94.3
Ogilvie Flour Mills	5	26¾	22	20	20	—25.3
Page-Hersey Tubes	5	32¼	37½	48	50	55.0
Powell River Co.	5	42¼	40	44¾	60½	43.1
Price Brothers	9	66¾	57	62	106	58.8
Quemont Mining	1	14¾	14⅝	21⅝	23	55.9
Royal Bank	1	24¾	25¾	27	30	21.2
Russell Industries	2	14½	18	18	23	58.6
San Antonio Gold	4	4.20	3.85	3.90	2¼	—46.5
Shawinigan W. & P.	6	21½	23¾	24½	28½	32.6
Sick's Breweries	4	14¾	16¾	19½	20	35.6
Simpson's "A"	3	27	28¾	28¾	35½	31.5
St. Law. Pa. pf. (d)	1	136½	130¾	141	170¾	25.0
Standard Pav. & Mat.	1	5¾	7	13½	13	126.0
Steel Co. of Can.	5	15½‡	16.40‡	18.70‡	27¾	79.0
Steep Rock Iron	1	2.06	1.66	2.25	6.10	196.1
Tamblyn, G.	4	27	27½	31	31	14.8
Teck Hughes Gold	1	3.65	2.65	3.15	2.26	—38.1
Traders Build'g Assn.	1	16.30	17½	21	21†	28.8
Traders Finance "A"	1	14 2/3	19½	27¼	26¾	82.3
Ventures	2	7.30	5.65	6.75	8.95	22.6
Walker-Gooderham	18	25⅞	27¾	37⅝	52¼	101.9
Westeel Products	1	7⅜‡	9¼‡	12⅛‡	18	144.0
Western Grocers	1	25	23½	28	35½	42.0
Weston, George	8	27	24	25½	28½	5.6
Winnipeg Electric	1	19¾	34½	35¼	35	77.2
Zeller's	1	7‡	8 1/5‡	10 3/5‡	15	114.2

* Preferred and common combined.
‡ Adjusted for stock splits.
† Bid.
Based on value of new securities.
(a) Now H. Corby Distillery.
(b) One Class A share plus one Class B share.
(d) Prices adjusted for reorganization.

H. Corby to Enter United States Market

MONTREAL (Staff) — H. Corby Distillery Ltd. has arranged to distribute its products in the United States and will enter that field after the turn of the year, Vice-president and General Manager L. W. Vezina told shareholders at the annual meeting.

Replying to a shareholder's question, Mr. Vezina stated that competition in the domestic market has increased but that the company's sales are holding up. Inventories, he stated, are adequate for future business.

Consolidated net profit for the year ended Aug. 31, 1950, totaled $777,146 or 70 cents a share, against $834,137, 75 cents a share, in the previous year.

DONNACONA PAPER CO. reports that 170 shares of preferred stock have been converted into 680 shares of common, on the basis of four common for each preferred share.

T.S.E. November Volume Down

Toronto Stock Exchange trading in November totaled 48,606,000 shares, a decrease of approximately six million shares from the previous month. Values traded amounted to $91,867,125 against $108 million in October.

Eleven months trading totaled 478,994,902 shares, more than doubling the total for 1949, and values showed a similar gain of $835,557,076.

The breadth of trading in November is seen in the number of stocks appearing for trading; 813 issues out of a complete listing of 913 issues showed. Of the 813 issues, 227 showed advances in price, while 458 issues registered declines from the previous month.

Market action during the month was dictated almost solely by events in Korea. Until the latter part of the month when Chinese Regulars attacked in force, the industrial index had made a new record high at 291.31 and then broke 18 points to close the month at 276.08, for a loss of 1.88 on the period.

Base metal index followed a similar course, almost setting a new high at 164.25, only to close the period at 151.92, down 0.36.

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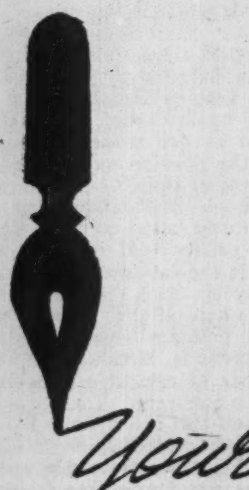

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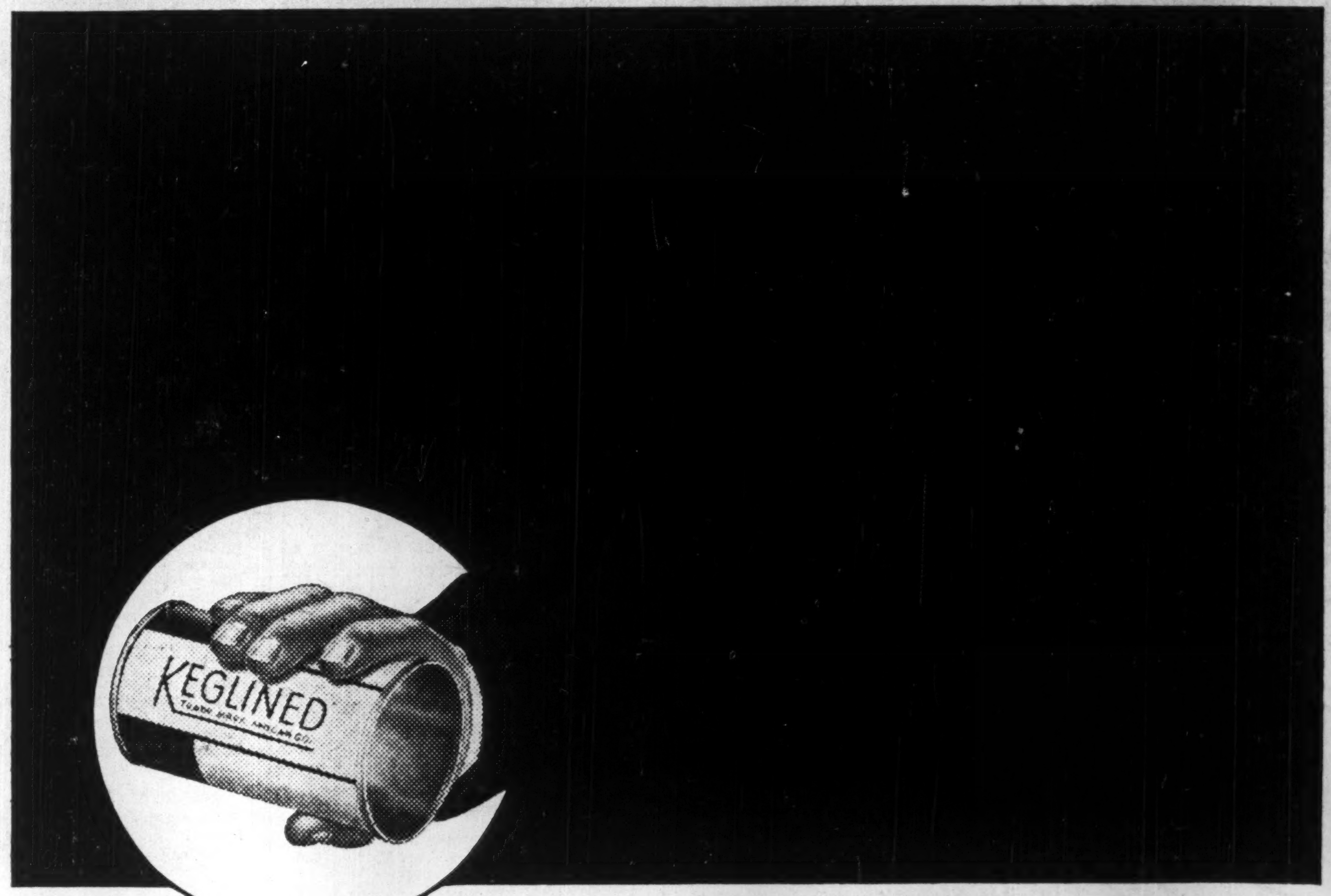

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The valuable annual edition of The Financial Post Corporation Service Dividend Record will be published the first week of January, 1951. This Record gives complete information on dividends paid by Canadian public companies in 1950. An example follows:

Amount $	Payable or paid	Record Date
Canadian Cottons Ltd.		
6% c pf ($20) Rate $1.20 pa Q		
0.30 ...	Jan 3/50	Dec 2-xd 1
0.30 ...	Apr 1/50	Mar 3-xd 2
0.30 ...	Jul 3/50	Jun 2-xd 1
0.30 ...	Oct 2/50	Sep 1-xd 31
Paid: 1949—$1.20; 1948—$1.20		
Common (np) Rate $2.80 pa Q		
0.70 ...	Jan 3/50	Dec 2-xd 1
0.70 + 0.50 .	Apr 1/50	Mar 3-xd 2
0.70 ...	Jul 3/50	Jun 2-xd 1
0.70 ...	Oct 2/50	Sep 1-xd 31
Paid: 1949—$2.80 + 0.50; 1948—$2.20 + 0.50		

Individual copies — Individual copies of this useful permanent record of 1950 dividends may be secured at the rate of $1.00 for one copy and 50c for each additional copy.

Year-Round Service — For those who require continuous dividend information, The Financial Post Corporation Service Dividend Record may be secured on a service basis at the moderate rate of $15.00 a year. This rate brings you a card each week giving new dividends declared and at the first of each month a cumulative booklet bringing all announcements to date into the one place. If you subscribe before the end of 1950 you will receive one copy of the January, 1951, edition as part of your service and may secure extra copies of that edition at the special subscriber rate of 25c each.

Every investor needs a copy of this Record. It will help materially in calculating income tax returns and is a valuable record to retain for future use.

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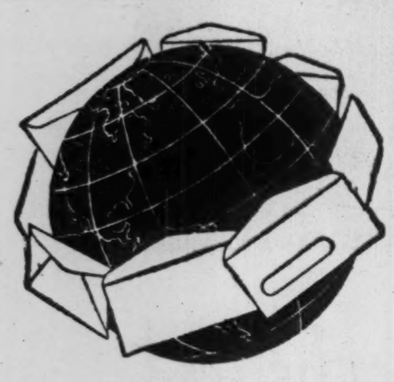

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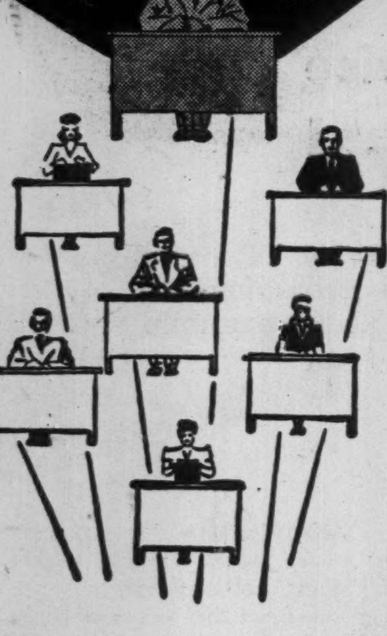

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Careful Automobile Drivers Get Break Insurance Lower For Preferred Risks

Are you a preferred automobile insurance risk?

If so, it's going to cost you less to insure your car in 1951 in Ontario and Nova Scotia. Prince Edward Island drivers will pay more. Quebec drivers of private passenger cars in the preferred group will pay less for liability cover and all groups in Quebec will pay less for fire and theft insurance, more for collision.

Premium rates in various areas have been revised according to experience in the 18 months ended June 30, and as a result drivers of two groups in Ontario, one in Nova Scotia will pay less over-all premium than in 1950.

Factors which affect insurance rates are the accident frequency and the ratio of losses incurred to premiums paid. When the ratio gets too high to permit the companies operating on a sound basis, premium rates are likely to rise.

Behind the accident frequency and the loss ratio are many factors such as the purposes for which a car is used — business or pleasure, whether it is driven by an individual under 25, density of population and traffic, driving habits of the public in the area, nature of the terrain and the type of highway traffic laws and how they are administered.

"Drivers as groups set their own insurance rates," say the companies.

Provinces which have safety responsibility, or similar laws, Manitoba, British Columbia, N. S. or Alberta or a financial responsibility law like Ontario usually have a better experience than those that have not.

Changes in premium rates for 1951 announced by the Canadian Underwriters Association and the Independent Automobile and Casualty Insurance Conference affect Ontario and Quebec. Those affecting Nova Scotia and Prince Edward Island are announced by the Canadian Underwriters Association. Revisions for other areas are expected, The Financial Post understands.

Motorists Classified

For rating purposes, motorists are classified as follows:

1. Those driving automobiles for pleasure chiefly, in households where there is no resident driver or employed chauffeur under 25 — the select group.
2. Those driving cars for pleasure, chiefly where there is a driver in the household under 25.
3. Those driving cars for business chiefly.
4. Those driving or owning trucks.

"Statistics show that cars driven partially by youthful drivers had over 30% higher insurance losses than cars in the select group, while private passenger cars used chiefly for business had a 75% higher accident rate than those in the select group. Naturally their rates must be higher, in fairness to select class drivers," said a spokesman for the insurance companies.

Factors affecting insurance costs directly are the increased cost of replacing wrecked automobiles, of insurance repairs and of medical and hospital care in event of personal injury.

In Ontario, rates for the preferred class in most areas will be reduced, rates for trucks will also be reduced due to efforts of truck owners and drivers, particularly those operating fleets, to promote safe driving practices and courtesy. "These people should be commended," said a spokesman for the insurance companies.

In Windsor, Ont. area losses among select class drivers were more than 20% above the Toronto-Hamilton district, and a special rating area has been created there. Rates in Sarnia, Welland and Port Colborne have been adjusted also, because of the rapid growth and industrial development there, revision being considered necessary to conform to other places of comparable size. In Nova Scotia, select class premiums will be lower and truck rates unchanged. In P. E. I. rates generally will be higher.

Quebec Changes

In Quebec, rates for liability will be reduced for cars in the preferred group. For other private passenger groups, they will be raised an average of 10%. Collision rates will be revised upward an average of 17% while fire and theft rates will be reduced an average of 14%. Statistical data compiled for an 18 months period indicated an over-all increase of 8.8% for private passenger cars and of 4% for commercial vehicles.

The Quebec announcement emphasizes that: "The seriousness of the acute social problem of traffic accidents is well recognized by the Quebec Government and discussions have taken place between the insurance industry and the highest government officials. Recently governmental offices have been opened in Quebec City and Montreal to collate records on accident frequency and to initiate disciplinary action against irresponsible drivers.

"The constructive start on this very urgent problem, coupled with the Government's determination that the driving laws of the province shall be administered strictly and, if necessary, severely; and the increasing determination on the part of responsible government officials that the frequency of disastrous automobile accidents shall be reduced, will, it is hoped, bring recognition and full co-operation by the public and with a resulting decrease in these extravagant losses, insurance rates can be modified.'

Highest Rates In Canada

Quebec's No. 1 area: Montreal and district and Quebec City and district, is the highest rated section in Canada.

Here are examples of some of the changes effective Jan. 1: for standard limits of $5/10,000 for public liability and $1,000 property damage and for $10/20,000 P.L. and $2,000 P.D., the rates should be increased 9%; for $25/50,000 P.L. and $5,000 P.D. by 15%. Rates are for 1950 Ford, Plymouth and Chevrolet cars.

	1951	1950
TORONTO-HAMILTON AREAS		
1. Select Class—Pleasure		
Public liability & property damage	$28	$28
Passenger hazard	1	1
Collision $50 deductible	33	39
Fire & theft	6	7
Total	68	75
2. Driver Under 25—Pleasure		
Public liability & property damage	38	34
Passenger hazard	1	1
Collision $50 deductible	44	44
Fire & theft	6	7
Total	89	86
3. Car Used Chiefly for Business		
Public liability & property damage	47	45
Passenger hazard	1	1
Collision $50 deductible	55	55
Fire & theft	6	7
Total	109	108
WINDSOR AREA		
Select Class		
Public liability & property damage	31	28
Passenger hazard	1	1
Collision $50 deductible	40	39
Fire & theft	7½	7
Total	79½	75
SARNIA		
Select Class		
Public liability & property damage	$24	$21
Passenger hazard	1	1
Collision $50 deductible	40	41
Fire & theft	4½	4½
Total	69½	67½
BELLEVILLE		
Select Class		
Public liability & property damage	21	21
Passenger hazard	1	1
Collision $50 deductible	39	41
Fire & theft	3½	4½
Total	64½	67½
Driver Under 25		
Public liability & property damage	28	24
Passenger hazard	1	1
Collision $50 deductible	52	47
Fire & theft	3½	4½
Total	84½	76½
Business		
Public liability & property damage	35	32
Passenger hazard	1	1
Collision $50 deductible	65	59
Fire & theft	3½	4½
Total	104½	96½
ORANGEVILLE		
Select Class		
Public liability & property damage	16	17
Passenger hazard	1	1
Collision $50 deductible	40	47
Fire & theft	3½	4
Total	60½	69
HALIFAX		
1. Select Class		
Public liability & property damage	16	18
Passenger hazard	1½	1½
Collision $50 deductible	56	60
Fire & theft	6	6
Total	79½	85½
2. Driver Under 25—Pleasure		
Public liability & property damage	21	21
Passenger hazard	1½	1½
Collision $50 deductible	75	68
Fire & theft	6	6
Total	103½	96½
3. Business Class		
Public liability & property damage	26	26
Passenger hazard	1½	1½
Collision $50 deductible	94	85
Fire & theft	6	6
Total	127½	118½

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$27.27	$26.72	$20.95
Hogs	29.35	29.30	28.60
Copper, lb.	.24½	.24½	.24½
Sugar, raw, lb.	.0568	.0568	.0520
Coffee, lb.	.51¾	.51¾	.48⅛
Hides	.37	.37	.25
Weekly Indices			
U. S. Labor	172.7	171.7	151.0
Dow Jones	191.95	190.88	135.28
Fisher's	179.0	179.3	161.0
Monthly Indices			
Retail (Nov.)†	170.7	170.7	161.7
W'sale (Oct.)	172.6	173.6	157.2
U. S. (Aug.)	166.3	162.9	153.0
Gt. Brit. (Sept.)	271.6	263.6	236.1

Note: The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base price of quotations is as follows: Cattle — Steers, good, up to 1,000 lb., top price, Toronto. Copper-electrolytic, New York. Coffee, No. 4 Santos. Rio Sugar 96 degrees centrifugal c/f New York.

New Stock Dividend For Mersey Paper Co.

MONTREAL (Staff) — Common shareholders of Mersey Paper Co. have approved a plan to capitalize its tax-paid undistributed income through a new preferred stock dividend. Approval of the plan and the steps necessary to put it into operation was given at two general meetings Nov. 21 and Dec. 7. The company is redeeming its $2½ million outstanding 4½% cumulative redeemable preference stock, $100 par, Dec. 18 at $105, and is issuing 59,308 newly created 4½% cumulative redeemable preferred shares to common shareholders. Basis is three new preferred shares for each ten common shares held.

Company's transfer books will be closed Dec. 16 and will re-open Dec. 30. The new stock's dividends will accrue from Jan. 1, 1951.

Supplies Tight In Fine Papers

MONTREAL (Staff) — Fine paper supplies are very tight, with the delivery situation getting worse instead of better, according to trade sources here.

Despite price increases last month ranging from 4% to 10%, the second hike this year, demand is very strong for all grades. On some grades such as coated stock and book papers, deliveries are taking up to three months.

Fine paper demand has been strong all year. Some price increases on individual types were instituted at the start of the year, and in May a general hike of about 10% was put into effect to offset higher wage costs and freight rates.

Can. Iron to Redeem Preferred Shares

MONTREAL (Staff) — Canada Iron Foundries Ltd. reports it will redeem its 6%, $10 par preferred shares on Dec. 28, 1950, at $25 per share.

Rights of the preferred shareholders to convert their shares into fully paid common shares at the rate of three common for each preferred will expire Dec. 28, 1950.

Short Position At Montreal

MONTREAL (Staff)—Montreal Stock Exchange report shows short position of 14,250 shares of 42 issues at Nov. 30, 1950, compared with 12,127 shares of 45 issues at Nov. 15, 1950. Chief changes include:

Stock	Shares	Stock	Shares
Acad. Atl. A	—100	Nat. Brew.	+590
Cdn. Brew.	+325	Price Bros.	+780
Dist. Seag.	+550	Shawinigan	+100
Hud. Bay M.	—100	Steel Co.	—100
Mont. Loco	+325	Winn. Elec.	+150

Short position on the Montreal Curb Market totaled 68,039 shares of 33 issues at Nov. 30, against 49,604 shares of 33 issues at Nov. 15. Some major changes were:

Stock	Shares	Stock	Shares
Brown	+300	MacDonald	—1,500
Cons. Paper	—170	Que. Man.	+1,300
Jaculet	—900	Tran. Telev.	+2,000
Ladulama	+7,000	Un. Asbes.	+10,500

Actual short positions were:

MONTREAL STOCK EXCHANGE

Stock	Shares	Stock	Shares
Abitibi	880	Ind. Accept.	35
Aluminium	50	Inter. Nickel	1,600
Bathurst A	25	Inter. Paper	470
Bell 'Phone	20	MacMillan B	50
Brazilian	150	Massey-Harris	15
B. C. Forest	900	McColl-Front.	25
Bldg. Prod.	10	Mont. Loco.	550
Can. Cement	135	Mont. Trams.	25
Can. S.S.	110	Natl. Brew.	1,050
Cdn. Brew.	1,265	Natl. Stl. Car	100
Cdn. Celanese	50	Noranda	75
Cdn. Vickers	250	Price Bros.	895
CPR	1,300	Royalite	300
Cons. Smelt.	60	St. Law. Corp.	960
Corby's B	10	Shawinigan	100
Dist. Seag.	725	Simons	100
Dom. Coal B	750	Simpsons A	15
Dom. Textile	10	Stand. Chem.	100
Dryden	25	Walk. G.&W.	70
Fraser	250	Winn. Elec.	265
How. Smith	25		
Imperial Oil	450	42 Issues	14,250

MONTREAL CURB MARKET

Stock	Shares	Stock	Shares
		Gt. Lakes Pr.	25
		Hollinger	100
Acadia Uran.	700	Home Oil	9
Anacon	8,800	Jaculet	100
Ascot	13,000	Joliet Quebec	700
Atlas Steel	50	Kerr-Addison	100
Auto Fabric B	50	Ladulama	7,000
Bathurst B	25	MacDonald	200
Brown	625	MacL.-Cock.	500
Butterfly	25	Montauban	550
Cal. & Edm.	200	Natl. Pete.	200
Cdn. Marconi	3,650	Quebec Man.	3,600
C. W. Lumber	200	Russell Ind.	300
Cartier Malar.	7,000	Trad. Fin. A	10
Cons. Paper	685	Trans. Tel.	2,000
Ford A	335	Un. Asbestos	11,600
Gaspe Oil	200		
Golden Man.	500	33 Issues	68,039
Goldora	5,000		

SAGUENAY POWER CO. reports that, as at Nov. 30, 43,616 4½% preferred shares were outstanding.

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Growth in Commerce, Agriculture, Industry Aids National Defence

● **President sees Canadians facing three major tasks: 1) to integrate economic stability with military preparedness; 2) to co-operate internationally to mitigate the basic causes of world unrest; 3) to expand our world trade.**

STANLEY M. WEDD, President, addressing the Annual Meeting of The Canadian Bank of Commerce in Toronto, said in part:

THE course of events that we have witnessed in recent months will mark as historically significant the year now drawing to a close. Yet the favourable developments that have taken place in Canada since we last met are overshadowed by the extremely disturbing possibilities of the hostilities in the Far East. Two distinct trends have emerged within the past year—the hesitation in business activity which was beginning to appear during the first half of the year and which was arrested by the outbreak and impact of war in Korea; and the upturn which followed. The latter phase directs our attention to the significant fact that an expanding economy such as ours responds quickly to outside influences.

At the present time we are by no means on a war basis, yet we are not all employed in peaceful pursuits. The degree to which we may alter this existing division in the economy depends upon forces beyond our control.

General Economic Patterns

First I would note the latest official estimate of the value of our production for 1950, which is seventeen and a half billion dollars. This is an increase of about fourteen hundred million over last year and is, in relation to the 1944 figure, approximately twelve billion dollars, indicative of the expansion that has been taking place over recent years. Although this increase is measured in fluctuating dollar values it does represent a higher rate of increase than at any other period in our history.

Over the post-war years there has been an intensive capital investment in the industries of Canada. Between 1945 and the close of this year an estimated twelve billion dollars will have been invested. This is in addition to the heavy wartime expansion which was necessary to meet the demands of war. This rate of investment shows little sign of slackening.

The labour force at the present time is at peak levels. In fact in some areas there is developing a shortage of employable persons, and this at a time when we are embarking on an armament program of some magnitude and are already engaged in important development of our natural resources. It would seem, therefore, to be a matter of real urgency that the labour force be expanded, and since this can be done to only a very limited extent from the manpower resources now available, the immediate implementation of a well-integrated immigration policy would seem to be the proper solution.

Agriculture

Over all, this year has been a good one for agriculture. Current reports indicate that the Western wheat crop will be almost one hundred million bushels larger than a year ago although an unusually large percentage of it will be of low grade. Yields of feed grains are also above those of last year. In the Eastern Provinces and in British Columbia good harvests were general in almost all lines of farming endeavour.

Mining

Turning now to mining, attention continues to be focused on oil and iron, each of which is expected to play a prominent role in maintaining our present high level of business activity.

With the Leduc and Redwater discoveries, proven oil reserves are now well above the billion barrel mark and capital at the rate of three million dollars a week is being invested in development and exploration. In addition, other expenditures for refineries and pipe-lines to be completed within the next year total more than one hundred and twenty-five million dollars. In all, these investments in the oil industry account for roughly ten per cent of Canada's non-governmental capital investment program for 1950. The 1,150-mile trunk pipeline to Superior, Wisconsin, is completed and already oil has begun to move via this pipeline to refineries at Regina and Gretna.

The discovery to date of the four hundred million tons proven reserves of iron ore in Eastern Canada will place Canada among the world's top ranking iron ore producers. The development of the area due to its inaccessibility will take some time and will be costly. However, the contract for the railway into the area recently has been allotted and construction is to begin before the turn of the year. It is estimated that capital expenditures for this railway, for the construction of a hydro-electric power plant, harbour facilities and rolling stock may be in the neighborhood of two hundred million dollars and we gather that to justify an outlay of this magnitude at least ten million tons annually will have to be taken out.

Manufacturing

Several of the most important branches of the Canadian manufacturing industry have created new production records within the past year and the industry as a whole is currently operating at the highest level of the year to date and over five per cent above that in October 1949. Consumption of electrical energy is a good gauge of industrial activity and the increase of seven per cent during the elapsed part of the present year reflects fairly well the general position. The completion of new central electric installations within the past twelve months has made this increase possible but demand for power continues to keep pace with and, indeed, exceed that available.

International Trade

This year we have witnessed a decided change in trade activities. Our surplus in merchandise trade of two hundred and twelve million dollars a year in the period 1935-39 and of even larger amounts in the post-war years has been replaced by a deficit of fifteen million dollars at present annual rates. Since the round of devaluations a year ago last September, which had the effect of increasing the price of Canadian goods in countries which devalued more than ten per cent, Canada's trade surplus with the United Kingdom has declined. At the same time, a rising level of income in the United States, coupled with the attractions of somewhat lower Canadian prices, has served to increase our exports to that country.

The ability of Canada to cushion the effect of a decrease in exports to the sterling countries by an increase in exports to the United States is another evidence of the adaptability of the Canadian economy. At this time our newly-developed trading pattern is operating under the forces of the free dollar market and it is hoped that the unbalanced position which has existed in world trade under conditions of rigid control will steadily decrease.

The Free Dollar

The development of a new trade pattern has caused attention to be directed to both the short and the long run possibilities in the Canadian economy. Total investment by non-residents in Canada at the end of 1949 amounted to nearly eight billion dollars, of which the greater part, some five billion nine hundred million, was held by Americans. Since then the continued attractiveness of Canadian investments has brought in additional investment funds from the United States. This inflow, which was particularly heavy in the three months after June last, indicated for the most part a growing realization by Americans of Canadian investment opportunities. Yet this inflow stimulated inflationary pressures in Canada and some method was necessary whereby inflationary pressure engendered by speculation about the value of the Canadian dollar could be relieved, while, at the same time, the beneficial flow of capital for investment and development could be maintained. From the choices available to cope with the situation, the decision to permit the Canadian dollar to find its own price in terms of other currencies was one with many implications and much to commend it.

Preparedness Programs

For the first time in our history, this year witnessed the meeting of Parliament for the purpose of considering an extensive military program unaccompanied by a declaration of war. The supplementary budget which evolved from that meeting was significant in that it brought more clearly into focus our responsibilities as a member of the United Nations. It also emphasized our role as a signatory to the North Atlantic Defence Pact.

In the light of existing conditions, the fiscal provisions of this supplementary budget might best be described as precautionary, and the extent to which they may have to be expanded will be determined by the outcome of the critical situation in which the world now finds itself. For the present, our cash commitments for defence under the latest budget, both for ourselves and on behalf of our partners of the North Atlantic Defence Pact, amount to eight hundred and fifty-six million dollars which, together with defence expenditures authorized in the main estimates earlier in the year, bring the total commitment for defence to approximately one billion four hundred and twenty million dollars, or about eight per cent of the estimated Gross National Product. High levels of National Income during the first nine months of the year had resulted in a sizable budgetary surplus on the then existing bases of taxation, but in order to cover the foreseeable cash disbursements for defence during the remainder of the year, the Minister of Finance found it necessary to impose additional taxation upon corporations and upon certain classes of goods used by the public.

Military Integration

It is not unlikely that history will record the Washington Agreement which was signed in October of this year as an outstanding occurrence. The signing of the Agreement by Canadian and American representatives in Washington does more than reiterate the principles contained in the Hyde Park Declaration of 1941. The new Agreement reaffirms the principle of co-ordination in defence purchasing and allocation of materials between the two countries. It also indicates that, insofar as defence expenditures are concerned, problems of foreign exchange and restriction of purchasing ability which hindered co-ordination in the post-war period may well be avoided.

The Outlook

We enter into a preparedness program under conditions far different from those of the early days of World War II. We know that manpower and resources are being fully utilized and consequently the diversion of men and material for military production is bound to cause strains. The expansion of our economy during the past year makes it possible to meet the requirements immediately in sight without distorting the pattern of civilian production; should we find it necessary to expand military commitments beyond those recently established then inflationary stresses will become still more insistent.

Events of recent weeks have served to emphasize the uncertainties that lie ahead. Undoubtedly three major tasks face us: to ensure a continuation of economic stability under conditions of military preparedness; full co-operation and assistance towards the mitigation of the basic causes of unrest and war; and also the expansion of trade which is basic to the maintenance of our well-being. These are challenging objectives, yet the record shows ability and courage in facing other equally difficult problems that have arisen in the course of our history.

JAMES STEWART, Vice-President and General Manager, commenting on the Bank's operations during the past year said in part:

THE substantial progress of the Bank in the past year by way of the growth in assets and earnings is reflected in the eighty-fourth annual Balance Sheet now before you. (*Highlights of the statement are reproduced below.*)

Taxation

On the tax program Mr. Stewart said: Apart from the fact that taxation must raise the revenues necessary to finance much of the defence program, taxation in general is an important fiscal means for "siphoning off" purchasing power. While the tax structure should be so arranged as to assist in restraining inflationary tendencies, yet at the same time it should not hamper or retard the industrial program necessary to meet military and domestic requirements.

Under certain economic conditions some taxes can have effects opposite to those originally intended. The choice of taxes and their rates therefore loom large in our planning. I know that in certain quarters the excess profits tax has its adherents—yet, because of its tendency towards encouraging unnecessary spending, it has, to my mind, particularly under conditions of full employment, an inflationary potential. A further and I think equally important argument against such form of taxation is that in our economy, part of which is in the developmental stage, every encouragement should be given to expanding new businesses and industries, yet a tax arbitrarily based on what are termed excess profits well might discriminate against the smaller risk-taking industries, many of which require additional capital to expand their plant and equipment and produce needed goods. Retention of profits is, after all, one of the best methods of capital expansion. Should we be on the verge of a heavier tax program—and this is a definite likelihood—then serious consideration should be given to setting the rates of the corporation income tax at sensible levels.

In the long run this might well be a better revenue-raising arrangement than the application of an excess profits tax. At the same time this policy could avoid the weaknesses and the inflationary potential inherent in an excess profits tax.

Staff

It is again my privilege to express my thanks to the staff for their co-operation. The all-round increase in the Bank's business which has taken place is indicative of the team-play that exists in all the branches of the Bank. The growth of the Bank as shown by the Balance Sheet is not something that just happens—it represents hard work—and the progress made during the past year is a tribute to the loyalty of the staff and to their constant vigilance in the interests of the Bank and the public we serve. I cannot speak too forcibly in this respect—and in taking this opportunity of expressing my appreciation to the members of the staff I am sure I am conveying to them the thanks of all the shareholders as well for their praiseworthy contribution to the welfare of the Bank.

ANNUAL STATEMENT HIGHLIGHTS

1949	COMPARATIVE FIGURES in $ Thousands	1950
$1,646,320	Assets	$1,755,317
802,413	Securities	823,003
525,675	Total Loans	577,274
1,527,537	Total Deposits	1,623,713
880,087	Savings Accounts	900,622
540,939	Current Accounts	605,657
48,829	Acceptances and Letters of Credit	63,372
3,616	Net Profits	4,015
3,000	Dividends	3,000
616	Carried Forward	1,015
3,705	Balance Profit and Loss Account	4,720

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Premium You Pay for U.S.$ Varies with Amount, Market

What premium should I pay for U.S. dollars if I go to the United States? What rate do I get when I convert U.S. dollars into Canadian funds?

There's no set answer because there are variables in all exchange transactions apart from the actual trade and monetary position of the countries concerned.

A rate which might be quite definite at ten o'clock in the morning may be quite out of line by three in the afternoon. Here are some of the things to be considered.

Under the free dollar market since Oct. 2, the rate of exchange on U.S. dollars is fluid, changing almost momentarily often, with supply and demand.

There is a spread between the price at which banks will buy and sell. This spread is fairly narrow, and smaller on large amounts than on small amounts. Market lots are sums over $100,000 and published quotations are based on them.

On small amounts, the banks charge the prevailing premium for small lots at the time the deal goes through, but also ask a service charge of 15 cents for amounts up to $15, 25 cents for amounts up to $200 and 50 cents for amounts up to $1,500. On amounts over $1,500 there is no service charge.

Currency Costs More

You will pay a higher rate for currency — actual U.S. notes — than you will for a cheque or draft. Similarly, you will get less for U.S. currency you offer for sale. Reason is that currency is more expensive for the bank to handle. Thus to ship in $100,000 currency from one city to Toronto or direct to the United States entails careful counting, packaging, insurance and transportation costs.

Recently the spread between buying and selling rates has been about ⅛ to ¼%. In some cases it might be 1/16 or even 1/32 but these spreads are for large amounts, some say $100,000 or over and others say $10,000.

Thus in buying or selling U.S. dollars, the rate you get depends on the general market prevailing at the time of the deal, the amount you are buying or selling, and whether it is currency or a draft or cheque.

If you converted your U.S. cheque at the bank on Nov. 13, when the market had risen to a spread of 4 3/16 to 4⅝%, you would, of course, have received a better price.

One bank foreign exchange expert told the Post that at one time during the last few weeks there was no demand for U.S. funds. Every bank was a seller of U.S. dollars. Unless owners placed a floor under the selling price, the premium would go down until some buying came in. The same thing might easily happen on the other side. There might be plenty of buyers but no sellers. In that case the premium would go up.

Might Fluctuate Widely

Another banker pointed out that the rate could fluctuate 1½ within a few days.

Bankers say that they try to give the man in a small town the same rate as in the larger cities as a matter of policy and public relations.

Normally, they try to keep the spread between buying and selling rates within a range of half of one per cent. Recently it has been about one eighth of one per cent. Competition is keen and rates quoted by different banks are usually close.

Listed below are buying and selling rates showing the premium quoted on U.S. dollars for large amounts back to Oct. 2 when the dollar was freed.

NOON PREMIUM RATES FROM OCT. 1 to DEC. 9

Oct.:	Buy. Premium	Sell. Premium	Nov.:	Buy. Premium	Sell. Premium
2	6	6 1/2	1	4 11/16	4 3/4
3	4 7/8	5 1/2	2	4 5/8	4 11/16
4	4 7/8	5	3	4 7/16	4 1/2
5	5 5/8	5 3/4	4	4 1/16	4 1/8
6	5 7/8	6	6	4 1/32	4 3/32
7	5 7/8	6	7	3 5/8	3 3/4
10	5 1/2	5 5/8	8	3 1/4	3 5/16
11	5 5/16	5 7/32	9	3 3/8	3 7/16
12	5 1/2	5 5/8	10	3 13/16	3 7/8
13	5 3/8	5 5/16	13	4 9/16	4 5/8
14	5 1/2	5 5/8	14	4	4 1/16
16	5 1/2	5 9/16	15	3 11/16	3 3/4
17	5 9/16	5 5/8	16	3 11/16	3 3/4
18	5 1/2	5 5/8	17	3 5/8	3 11/16
19	5 7/16	5 1/2	18	3 3/4	3 7/8
20	5 5/16	5 7/16	20	3 15/16	4
21	5 1/16	5 1/8	21	3 15/16	4
23	4 15/16	5 1/16	22	3 15/16	4
24	4 13/16	4 15/16	23	4	4 1/16
25	4 7/8	4 15/16	24	4	4 1/16
26	4 15/16	5 1/16	25	4	4 1/16
27	5	5 1/8	27	3 31/32	4 1/16
28	5	5 1/16	28	4 1/16	4 1/8
30	4 15/16	5	29	4 3/8	4 1/2
31	4 7/8	4 15/16	30	4 11/16	4 13/16
			Dec.:		
			1	4 7/8	5
			2	4 3/4	4 7/8
			4	4 1/2	4 5/8
			5	4 3/4	4 13/16
			6	4 11/16	4 13/16
			7	4 13/16	4 15/16
			8	4 7/8	4 15/16
			9	4 13/16	4 15/16

HIGH AND LOW QUOTATIONS

Oct.:	High Premium	Low Premium	Nov.:	High Premium	Low Premium
2	7	5 1/2	1	4 23/32	4 21/32
3	4 7/8	4 5/8	2	4 11/16	4 9/16
4	5	4 7/8	3	4 1/2	4 1/16
5	6	5 5/8	4	4 1/8	4 3/32
6	6	5 7/8	6	4 1/16	4
7	5 7/8	5 3/4	7	3 11/16	3 7/16
10	5 3/4	5 11/16	8	3 7/16	3 1/4
11	5 11/16	5 9/16	9	3 5/8	3 11/32
12	5 11/16	5 9/16	10	3 31/32	3 13/16
13	5 11/16	5 9/32	13	4 5/16	4 1/32
14	5 9/16	5 9/16	14	4 1/8	3 13/16
16	5 9/16	5 1/2	15	3 13/16	3 1/2
17	5 9/16	5 17/32	16	3 13/16	3 9/16
18	5 17/32	5 1/2	17	3 3/4	3 5/8
19	5 1/2	5 7/16	18	3 7/8	3 25/32
20	5 7/16	5 1/4	20	4	3 7/8
21	5 7/32	5 1/8	21	4 1/32	3 31/32
23	5 1/16	4 15/16	22	4 1/32	3 31/32
24	4 15/16	4 7/8	23	4 3/32	3 15/16
25	5	4 29/32	24	4 1/32	4
26	5 1/16	5	25	4	4
27	5 1/16	5 1/16	27	4 1/16	4 1/32
30	5	4 15/16	28	4 1/8	4 1/32
31	4 29/32	4 13/16	29	4 1/2	4 3/16
			30	4 27/32	4 17/32
			Dec.:		
			1	5	4 3/4
			2	4 13/16	4 13/16
			4	4 13/16	4 19/32
			5	4 7/8	4 3/4
			6	4 27/32	4 3/4

Staff Changes

Toronto:

O. L. CULLEY, manager, Queensway and Royal York Rd., Toronto, to be manager, College and Bay, Toronto, recently opened.

E. L. WILLARD, manager, Lansing, Ont., to be manager, Queensway and Royal York Rd., Toronto.

J. D. MANNING, manager, St. Clair and Bathurst, Toronto, to be manager, Stratford, Ont.

W. H. N. HALL, attached to head office inspection dept., to be manager, St. Clair and Bathurst, Toronto.

NORMAN CLARK, accountant, Lyndhurst, Ont., appointed manager, MacTier, Ont., succeeding M. WELLER, retiring on pension.

D. S. KING, accountant, Queen and Logan, Toronto, to be manager, Kingston Road and St. Clair E., Scarboro Bluffs, Ont., recently opened.

J. J. CAIRNS, accountant, St. Lawrence Blvd., Montreal, to be manager, Granby, Que., recently opened.

J. F. SAUNDERS, assistant manager, Regina, Sask., to be second assistant manager, Vancouver.

H. W. GILLIS, of head office supervisors' department, to be assistant manager, Regina, Sask.

R. J. PLASKETT, assistant accountant, Queen & Logan, Toronto, to be accountant, that branch.

E. G. O. CAMPBELL, assistant accountant, St. Catherine and Guy, Montreal, to be accountant, Bernard and Hutchison, Montreal.

C. J. INGRAM, accountant, Bernard and Hutchison, Montreal, to be accountant, Queen Mary and Decarie, Montreal.

J. P. LAPOINTE, accountant, Queen Mary and Decarie, Montreal, to be accountant, Granby, Que.

C. W. GIBBS, accountant, Yonge and Belsize, Toronto, to be accountant, College and Bay, Toronto.

D. H. LIVINGSTONE, assistant accountant, St. Clair and Christie, Toronto, to be accountant, Yonge and Belsize, Toronto.

W. L. BEALES, accountant, St. Boniface, Man., to be assistant accountant, Edmonton.

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Nova Scotia:

R. H. SMITH, to be assistant manager, Halifax.

L. G. ALLAN, to be accountant, Dundas & Brock, Toronto.

K. W. McLAUGHLIN, to be accountant, Cornwall, Ont.

H. F. SMITH, to be accountant, Liverpool, N.S.

Royal:

E. A. LOUGH, manager, Medellin, Colombia, to be manager, Lima, Peru.

C. W. LEWIS, Kingston, Ont., to be manager, Odessa, Ont.

F. W. PRUDHOMME, manager, Odessa, Ont., to be manager, Hagersville, Ont.

N. OLSEN, accountant, Seigneurs St., Montreal, to be manager, Sherbrooke & Montclair, Montreal.

S. S. OSGOODE, accountant, Ottawa, to be manager, Wellington & Caroline, Ottawa.

R. J. CROWE, manager, Wellington & Caroline, Ottawa, to be manager, Upper Town, Quebec City.

W. H. SANDALL, Medicine Hat, Alta., to be manager, Halkirk, Alta.

S. R. ARMSTRONG, accountant, Medicine Hat, Alta., to be assistant manager, Winnipeg.

G. A. GRIFFIN, supervisor's dept., Havana, Cuba, to be assistant manager, Havana.

D. G. PALMER, to be staff officer, supervisor's dept., Havana, Cuba.

J. H. B. HUNTING, assistant accountant, Sherbrooke & Guy, Montreal, to be accountant.

R. I. GUZMAN, assistant accountant, Santurce, Porto Rico, to be accountant.

E. R. HENRY, supervisor's dept., Toronto, to be accountant, Danforth & Dawes, Toronto.

H. P. VOGT, assistant accountant, Elmira, Ont., to be accountant.

H. G. WHITE, Danforth & Dawes, Toronto, to be accountant, Keele & St. Clair, Toronto.

J. A. ROSZELL, Pillette & Wyandotte, Windsor, to be accountant, Appin, Ont.

W. A. McMILLAN, Pape & Danforth, Toronto, to be accountant, Chippawa, Ont.

P. B. F. CAMPBELL, Atwater & Notre Dame, Montreal, to be accountant Seigneurs St., Montreal.

T. D. BROWN, Mimico, Ont., to be accountant, Hastings, Ont.

F. W. KIRKPATRICK, Niagara Falls Centre, Ont., to be accountant, Pillette & Wyandotte, Windsor.

L. M. IRVINE, assistant accountant, Ottawa to be accountant.

J. A. P. D'AMOURS, Upper Town, Sherbrooke, Que., to be accountant, Rouyn, Que.

G. R. HANCOCK, Belleville, Ont., to be accountant, Trenton, Ont.

R. C. McMANUS, Burlington, Ont., to be accountant, Kingsville, Ont.

J. L. WOODS, supervisor's dept., Toronto, to be accountant, Yonge & Grenville, Toronto.

L. E. REINER, Trenton, Ont., to be accountant, Goderich, Ont.

N. E. CARRUTHERS, Stettler, Alta., to be accountant, Grande Prairie, Alta.

J. A. CRETNEY, Queen Mary & Decarie, Montreal, to be accountant, Bonaventure, Montreal.

W. J. MURPHY, Goderich, Ont., to be accountant, North Bay, Ont.

G. F. ORR, Clifford, Ont., to be accountant, Peterborough South, Alta.

W. W. WARREN, Niagara Falls, Ont., to be accountant, St. Thomas, Ont.

G. H. HARROWER, Invermay, Sask., to be accountant, Carlyle, Sask.

G. CURWEN, Chilliwack, B.C., M. C. WIGLE, Hagersville, Ont., W. H. DUFF, Lima, Peru, retire.

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DEDICATED TO THE PROMOTION OF INTERNATIONAL TRADE BY THE GOVERNMENT OF CANADA

Position of Chartered Banks of Canada as of October 31, 1950 Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation $	Deposits by and Bal. Due to Dominion Government $	Deposits by and Bal. Due to Provincial Governments $	Advances from Bank of Canada Secured $	Demand Deposits in Canada $	Savings Deposits in Canada $	Deposits in Canada in currencies other than Canadian $	Deposits Elsewhere $	Bal. due to other banks in Canada $	Due to banks in U. K. $
Montreal	....	54,344,800	58,252,554	....	688,910,930	1,093,132,538	17,654,811	75,692,350	30,587,816	10,515,085
Nova Scotia	51,363	9,820,087	7,064,675	....	213,120,204	409,895,070	4,275,116	82,153,890	8,551,614	1,919,927
Toronto	....	7,886,828	5,172,550	....	135,670,990	278,232,571	1,417,133	....	5,256,473	3,961,384
Provincial	....	2,194,767	864,724	....	39,112,692	118,748,859	30,133	....	2,252,594	....
Commerce	29,381	23,538,222	54,458,489	....	550,786,778	846,369,042	10,054,155	99,068,974	13,586,830	5,177,597
Royal	264,026	25,184,256	54,937,226	....	732,820,318	1,015,273,849	39,328,270	350,976,813	20,205,030	6,881,977
Dominion	....	11,831,507	1,801,341	....	172,985,420	223,022,008	3,917,111	12,314,963	6,797,064	2,320,181
Nationale	....	6,450,628	1,784,006	....	108,679,085	292,342,308	669,962	974,964	3,371,106	121,161
Imperial	....	8,952,803	21,873,521	....	170,636,039	274,139,398	2,145,416	....	6,057,670	4,417,186
Barclays	....	1,711,410	18,789	....	9,379,479	8,249,916	4,990,725	....	611,212	3,812,779
Total	344,770	151,915,308	206,227,875	....	2,822,101,935	4,559,405,559	84,482,829	621,181,954	97,277,409	39,127,277

NAME OF BANK	Due to Banks Elsewhere $	Letters of Credit outstanding $	Other Liabilities $	Dividends Declared and unpaid $	Reserve Fund $	Capital Paid Up $	Total Liabilities $	Capital Authorised $	Capital Subscribed $	Last Dividend %	†Loans to Directors and firms of which they are partners $	Greatest Amount of Notes in Circ. $	Bills rediscounted with Bank of Canada $
Montreal	33,506,899	38,657,380	859,237	916,256	48,000,000	36,000,000	2,187,030,660	50,000,000	36,000,000	10	811,219	....	....
Nova Scotia	12,211,256	27,145,888	2,018,083	665,779	24,000,000	12,000,000	814,892,957	15,000,000	12,000,000	14(2)*	1,988,042	51,995	....
Toronto	6,067,526	4,450,822	14,084	211,636	14,000,000	6,000,000	468,342,003	10,000,000	6,000,000	14	694,006	....	....
Provincial	395,243	393,966	49,129	8,756	2,000,000	4,000,000	170,050,867	5,000,000	4,000,000	6	590,566	....	....
Commerce	20,672,751	63,372,170	2,263,268	1,219,222	30,000,000	30,000,000	1,750,536,884	50,000,000	30,000,000	8(2)*	1,696,454	29,632	....
Royal	50,223,996	68,644,636	3,491,300	928,221	44,000,000	35,000,000	2,448,159,921	50,000,000	35,000,000	10	2,409,457	284,643	....
Dominion	4,530,812	12,208,385	529,973	317,329	11,000,000	7,000,000	470,576,099	10,000,000	7,000,000	10(2)*	355,712	....	....
Nationale	1,763,392	1,411,317	78,345	161,102	7,000,000	7,000,000	431,807,383	10,000,000	7,000,000	8	859,594	....	....
Imperial	10,114,862	8,880,262	209,462	352,693	10,000,000	7,000,000	524,779,314	10,000,000	7,000,000	12(2)*	823,485	....	....
Barclays	3,016,315	1,775,975	18,858	....	1,500,000	1,500,000	36,585,462	1,500,000	1,500,000	....	....	....	....
Total	142,503,052	226,940,801	9,531,739	4,780,994	191,500,000	145,500,000	9,302,821,550	211,500,000	145,500,000	....	10,228,535	366,270	....

The last four columns appear under SUPPLEMENTARY INFORMATION.

†And loans for which they are guarantors. *Extra dividends shown in brackets.

ASSETS

NAME OF BANK	Gold and Subsidiary Coin held in Canada $	Gold and Subsidiary Coin held Elsewhere $	Notes of Bank of Canada $	Deposits with Bank of Canada $	Notes and Cheques on other Banks $	Govt. and Bank Notes other than Canadian $	Balances due by other banks in Canada $	Due by banks in U. K. $	Due by banks elsewhere $	Dom. Gov. Short Term Sec. $	Dom. Gov. Long Term Sec. $	Prov. Gov. Short Term Sec. $	Prov. Gov. Long Term Sec. $
Montreal*	2,826,835	8,905	45,969,825	175,586,294	114,344,080	1,025,540	1,002	3,569,787	33,072,717	166,542,081	637,678,093	31,309,308	92,297,050
Nova Scotia	1,331,487	759,100	22,907,452	47,920,885	43,566,073	8,939,610	....	571,739	20,393,333	65,152,233	144,119,009	5,481,921	12,013,974
Toronto	668,754	....	10,431,709	26,240,755	28,780,895	479,396	....	2,095,403	5,218,121	38,444,737	139,858,102	4,961,785	13,573,082
Provincial	456,675	....	4,827,572	8,312,229	13,496,821	133,315	....	55,738	1,421,583	18,795,047	25,762,028	6,145,973	14,486,750
Commerce†	2,412,595	57,739	34,964,800	121,071,149	73,091,208	2,515,973	112,853	2,289,472	31,839,848	137,799,961	469,488,156	24,760,318	42,745,188
Royal‡	2,833,150	1,703,352	52,702,160	141,332,706	108,778,011	29,592,903	113,441	10,050,240	112,634,353	236,149,334	628,085,622	19,114,266	72,160,260
Dominion	673,732	359	9,134,733	41,290,158	25,825,986	343,488	76,000	1,690,099	11,743,199	40,132,582	107,202,786	1,227,980	6,023,809
Nationale	1,256,231	35	15,834,159	24,386,852	17,770,303	362,428	....	717,312	3,488,558	35,668,686	82,684,898	2,967,059	38,377,979
Imperial	1,176,598	....	14,884,139	32,393,673	24,370,205	219,948	717,451	3,189,751	7,536,265	51,122,794	138,973,073	2,052,173	7,859,211
Barclays	16,034	....	170,494	3,147,664	1,087,178	12,048	88,571	564,707	1,713,490	2,874,572	6,069,547	1,420,999	5,268,963
Total	13,652,091	2,529,490	211,827,043	621,682,365	451,110,760	43,594,649	1,109,318	24,794,248	229,061,477	792,682,027	2,379,921,314	99,441,782	304,836,266

NAME OF BANK	Canadian municipal securities $	Public Securities other than Canadian $	Other bonds and stocks $	Call and short loans in Canada $	Call and short loans elsewhere $	Current loans in Canada $	Current loans elsewhere $	Loans to provincial governments $	Loans to municipalities $	Non-current loans $	▪Real estate other than Bank premises $	Bank Premises $	Deposit for note circulation $	Other assets $	▴Total assets $
Montreal*	49,152,485	53,069,583	128,050,593	27,684,169	40,288,227	479,611,399	21,098,387	5,829,316	21,188,560	304,702	93,994	18,450,760	....	2,818,285	2,190,529,368
Nova Scotia	11,659,604	8,495,468	23,229,629	15,931,950	11,379,813	271,956,075	44,133,402	1,465,823	9,696,590	84,091	1,800	19,121,740	....	618,824	818,107,524
Toronto	10,314,549	....	14,329,612	4,810,709	....	152,643,391	....	....	6,310,075	22,217	15,653	6,059,441	....	63,046	469,772,354
Provincial	6,709,469	....	8,459,587	2,507,277	....	51,671,509	....	80,476	3,728,449	24,920	239,033	5,523,100	....	351,361	170,552,888
Commerce†	30,883,564	41,402,966	75,922,701	20,957,176	14,803,339	465,386,680	47,536,013	12,820,856	15,333,826	436,137	200,488	18,769,640	....	4,338,324	1,755,317,154
Royal‡	38,529,148	92,406,755	104,526,500	25,586,509	41,652,898	511,792,282	112,559,299	341,838	17,674,572	263,632	231,450	16,410,873	....	6,150,356	2,452,020,235
Dominion	7,592,977	940,806	6,741,565	6,787,592	8,792,952	169,811,156	3,872,674	....	1,741,494	17,727	40,373	6,878,758	....	296,100	471,087,483
Nationale	17,731,698	535,425	16,002,335	4,040,098	....	145,552,509	381,268	1,382	15,227,514	28,628	52,852	7,756,422	....	117,213	432,353,173
Imperial	9,997,774	1,051,551	9,709,832	6,518,501	....	194,299,482	43,721	25,116	4,555,972	23,559	....	7,087,456	....	60,143	526,748,659
Barclays	1,214,568	2,863,219	550,000	468,500	....	6,128,768	....	....	....	248	....	1,290,092	....	25,210	36,750,855
Total	183,785,836	200,765,773	387,522,363	115,292,228	116,917,229	2,448,853,251	229,624,764	20,564,807	95,457,052	1,205,861	875,643	104,348,282	....	14,842,862	9,323,239,639

*The business of the Bank in San Francisco, U.S.A., is carried on under the name of a locally incorporated company and the figures are incorporated in the above return.—Footnote to Bank of Montreal return.

†The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to The Canadian Bank of Commerce return.

▪Includes mortgages.

▴Total assets include $226,940,801 letters of credit outstanding as shown in liabilities.

‡The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the Bank in Paris and the assets and liabilities of The Royal Bank of Canada (France) are included in the above general statement.—Footnote to The Royal Bank of Canada Return.

ᵻBanque Canadienne Nationale (France) has been incorporated under the laws of France to conduct the business of the Bank in Paris and the assets and liabilities of the Banque Canadienne Nationale (France) are included in the above general statement. — Footnote to Banque Canadienne Nationale return.

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How Establish Cost for Inventory?

Chartered Accountants' Report Discusses Various Methods

What is the true meaning of the term "cost" in inventory valuation? What methods of determining costs are acceptable for accounting purposes? Here are the views of the Committee on Accounting and Auditing Research of the Dominion Association of Chartered Accountants, summarized from Research Bulletin No. 5.

The selection of the most suitable method for determining cost for inventory valuation will depend upon the particular circumstances of each enterprise. In some cases, the choice may have little effect on the financial statements. In other cases, it is such an important factor in determining profits that it will depend on which measurement of inventory cost results in charging against operations, costs which most fairly match the sales revenue for the period.

What is Included in Cost?

Irrespective of the method selected, the factors entering into the cost of an item in an inventory will vary according to circumstances.

In the case of merchandise purchased for re-sale, or of raw materials for production, cost may be said to be laid-down cost, for example, invoice cost (in terms of Canadian dollars) plus customs and excise duties and freight and cartage.

In inventories of goods in process and finished goods, cost will include the laid-down cost of material plus the cost of direct labor applied to the product and ordinarily the applicable share of overhead expense properly chargeable to production. Where storage is an integral part of the manufacturing process, cost may also include the applicable share of warehousing expense and, in a few cases, carrying charges.

Sometimes certain costs are excluded in determining inventory values. Usually abnormal expenditures, such as rehandling of goods and idle facilities, are not included. Similarly, in some cases, fixed overhead is excluded where its inclusion would distort the profit for the year by reason of fluctuating volume of production.

In some manufacturing organizations, standard costs only are developed. In such cases, it is usual to accept these as being the equivalent of "actual" costs if there is no significant variation between aggregate standard costs and aggregate actual costs properly applicable to the inventory. If actual costs and standard costs are substantially different, it is usual to adjust the standard costs to estimated actual costs by applying a percentage factor based on production experience.

Costs Assigned to Inventory Items

It is often assumed by those not familiar with problems of inventory valuation that the cost assigned to an inventory item must be the actual cost of the specific item included in the inventory.

However, usually it is not possible or practicable to determine the cost in this manner and sometimes even when it is possible to do this, the costs so arrived at are not necessarily the most appropriate costs. As a result, several conventions for determining the costs applicable to the items in an inventory have been developed.

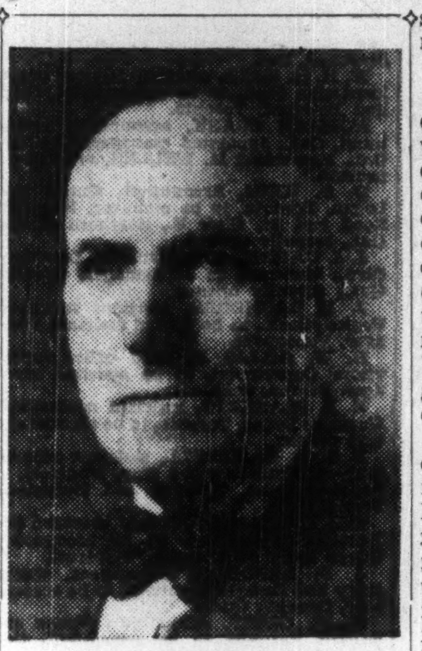
The methods of costs determination in most common use are:

(a) **Specific item cost:** Cost of each item in the inventory is ascertained; this can only be used where the items are of such a nature and value as to make individual identification possible and practicable.

(b) **Average:** Cost of item is determined from the weighted average of the cost of similar items at the beginning of the period and the cost of all similar items acquired during the period. The average may be calculated on an annual, monthly or other periodic basis, or as each additional shipment is received, depending upon the business.

(c) **FIFO (First In, First Out):** Cost of the first goods purchased or acquired is the cost assigned to the first goods sold. Therefore, the cost allocated to the inventory items on hand at the end of the period is the cost of those goods most recently acquired.

(d) **(Last In, First Out)** Cost of the goods most recently purchased or acquired is the cost assigned to the first goods sold. As a result, the inventory on hand at the end of any period, provided the quantities on hand at the end of the period are the same as they were at the beginning of the period, is valued at the cost attributed to the inventory at the beginning of the period. Increases in quantities during the period are valued at the cost prevailing during the time the accumulations are deemed to have occurred. Decreases in quantities are considered to have first reduced the most recent accumulations.



A. M. DOW

general manager of the Robert Reford Co., Montreal, has been elected a director and appointed vice-president.

Conclusions:

(1) The method selected for determining cost should be one which results in the matching of costs against revenues, regardless of whether or not the method corresponds to the physical flow of goods. Thus, if the selling price of the finished product varies concurrently with the price of the raw material, the LIFO method of cost determination may be appropriate, even though the goods first received are those first disposed of.

(2) If, in calculating the cost of an inventory at any time, a method of cost determination has been used which results in a figure for cost which differs materially from what the figure would have been if the then recent costs had been used (as frequently happens when the LIFO method is used), the method followed in determining costs should be disclosed on the financial statements.

(3) Where there is a change in the method of determining inventory costs which has a material effect on the profit and loss statement or the balance sheet, full disclosures of the change should be made.

(**NOTE:** This statement has been approved by all members of the Committee on Accounting and Auditing Research. However, F. A. Coffey, a member of the Committee, while assenting to the statement, disagrees with the part in the second sentence of the first conclusion which reads "if the selling price of the finished product varies concurrently with the price of the raw material." Mr. Coffey thinks that these words imply that LIFO is not at any time appropriate unless the condition of immediate price change is present. He believes that LIFO is most appropriate when the selling price of the finished product varies concurrently with the price of raw material and also believes that LIFO is appropriate in some cases where no such concurrent selling price variation can or does take place.)

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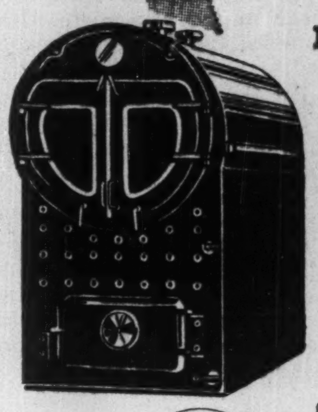

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By-law Number 22 to Authorize the Borrowing of Money for School Purposes in Accordance with the Separate Schools Act and the Toronto and Suburban Separate School Board Act, 1941

WHEREAS it is expedient that the Toronto and Suburban Separate School Board be authorized to borrow money from time to time for school purposes or for the purchase of school sites or for the erection of school buildings or additions thereto or repairs thereof and to give security for the moneys so borrowed;

THEREFORE, THE BOARD ENACTS AS FOLLOWS:

1. The Chairman and Secretary-Treasurer of the Board are hereby authorized on behalf of the Board to borrow from time to time by way of promissory note from any lender or lenders a sum or sums not exceeding in the aggregate Five Hundred Thousand Dollars ($500,000.00) at any one time to meet expenditures of the Board for school purposes or for the purchase of school sites or for the erection of school buildings or additions thereto or repairs thereof.

2. The Chairman and Secretary-Treasurer of the Board are hereby further authorized to give on behalf of the Board to any such lender or lenders one or more promissory notes under the corporate seal of the Board and signed by such Chairman and Secretary-Treasurer for moneys borrowed hereunder with interest at a rate not exceeding 4½ per centum per annum.

3. The Chairman and Secretary-Treasurer of the Board are hereby further authorized on behalf of the Board to give security from time to time to such lender or lenders for the payment of all amounts owing from time to time in respect of the moneys borrowed hereunder and of interest thereon and for such purpose to execute under the corporate seal of the Board and deliver to such lender or lenders one or more instruments charging in favor of such lender or lenders the Separate School rates heretofore or hereafter levied by or for the Board with the repayment of all such amounts and interest thereon.

4. The Chairman and Secretary-Treasurer of the Board are hereby further authorized on behalf of the Board to give security from time to time to such lender or lenders for the payment of all sums borrowed or owing as aforesaid and all interest thereon and for such purpose to execute under the corporate seal of the Board and deliver to such lender or lenders one or more mortgages or other instruments for the security and payment of all such sums and interest thereon upon the school house properties and premises or any other real or personal property vested in the Board; provided that such mortgages or other instruments may be made in the form of debentures if so determined by resolution of the Board and in such case the debentures shall be in such form and shall contain such terms and provisions and shall be repayable at such time or times and shall bear such rate or rates of interest as shall be determined by resolution of the Board and the same shall be a charge on the aforesaid property and upon the Separate School rates heretofore or hereafter levied by or for the Board.

5. The authority of the Chairman and the Secretary-Treasurer of the Board hereunder shall be a continuing authority and may be exercised from time to time so long as this By-law continues in force and effect and as any sums borrowed hereunder are repaid to the lender or lenders a further sum or sums may under the authority hereof be borrowed provided only that at no time shall the total amount borrowed hereunder and remaining unpaid exceed the sum of Five Hundred Thousand Dollars ($500,000.00).

6. Until the whole of the sum or sums borrowed under the authority of this By-law and interest thereon shall have been repaid, there shall be levied in each year upon the supporters of the Board according to their respective assessments liable for the same

(a) an amount sufficient to provide for the payment of interest which shall become due in such year upon the principal amount so borrowed and remaining unpaid; and

(b) an amount sufficient to provide for the repayment of such part of the principal amount so borrowed and remaining unpaid which shall become due in such year; and

(c) such further amount to be applied in repayment of the principal amount so borrowed and remaining unpaid as the Board may see fit.

The aggregate amount to be levied as aforesaid shall be determined by resolution of the Board adopted pursuant to this By-law and a rate sufficient to raise the same shall be included in the annual rate levied by the Board on its supporters.

7. If at any time the office of Secretary-Treasurer of the Board shall be vacant or if, for any reason, the Secretary-Treasurer of the Board is unable to act as such, then the Board may by resolution appoint some person to act as Secretary-Treasurer pro tempore and the person designated in such resolution shall be and be deemed to be the Secretary-Treasurer for all purposes of this By-law and may exercise on behalf of the Board the rights, powers and duties hereby conferred upon the Secretary-Treasurer

8. This By-law shall be and be deemed to be in force and effect as regards any lender or lenders until written notice of any revocation thereof has been given by the Board to each lender to whom moneys are owing in respect of advances which have been made under the authority of this By-law.

PASSED this 14 day of November, 1950.
"E. T. DUGGAN"
Chairman of Toronto and Suburban Separate School Board.
"JOHN MIDDLEWEEK"
Acting Secretary-Treasurer of the said Board.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

MURPHY PAINT CO. consolidated net profit for the year ended Aug. 31, 1950, amounted to $273,984, up 72.6% from the previous year's $158,753, due almost entirely to increasing sales.

During the year, debenture debt was reduced by $62,500 to $312,500 and bank loan was also reduced by $150,000 to $200,000.

Sales for the 1951 year continue at a satisfactory level, with an improvement shown for the first two months over corresponding months of last year.

Tenders are being called for a new building at the Windsor plant where larger facilities are required to service the automotive manufacturers, to cost approximately $400,000. Improvements and enlargements are also being made at Montreal, Toronto and Vancouver.

Association of the company with Pittsburgh Plate Glass Co. continues to be a valuable asset, President Harry W. Thorp states. Company plants at Long Branch and Vancouver are manufacturing increasing quantities of Pittsburgh Paints for Hobbs Glass Ltd.

CONS. INCOME ACCOUNT

Years Ended Aug. 31:	1950	1949
Net earnings	$641,841	$450,733
Less: Depreciation	199,181	164,932
Deb. int.	11,382	13,100
Bank loan int.	16,058	22,248
Inc. tax res.	141,236	91,700
Net profit	273,984	158,753
Less: Com. divd.	82,560	123,840
Surplus for year	191,424	34,913
Earnings per Share and Dividend Record:		
Common	$2.65	$1.54
Paid	0.80	†1.00+0.20

†Consists of 5 quarterly 20-cent payments.

CONDENSED CONS. BALANCE SHEET

As at Aug. 31:	1950	1949
Cash	$234,707	$271,920
Accts., etc., rec.	989,739	702,710
Inventories	1,526,210	1,302,412
Total curr. assets	2,750,656	2,277,042
Prep. exp.	32,452	§28,947
Ref. EPT	7,154	13,825
Misc. assets	20,617	26,473
Fixed assets*	1,153,197	1,305,870
Total assets	3,964,076	3,652,157
Bank loan	200,000	350,000
Accts., etc., pay.	564,385	337,789
Taxes pay.	169,145	62,746
Divd. pay.	20,640	20,640
Total curr. liab.	954,170	771,175
Funded debt	312,500	375,000
Capital stock	868,600	868,600
Earned surplus	1,828,806	†1,637,382
*After depr. of	951,620	761,777

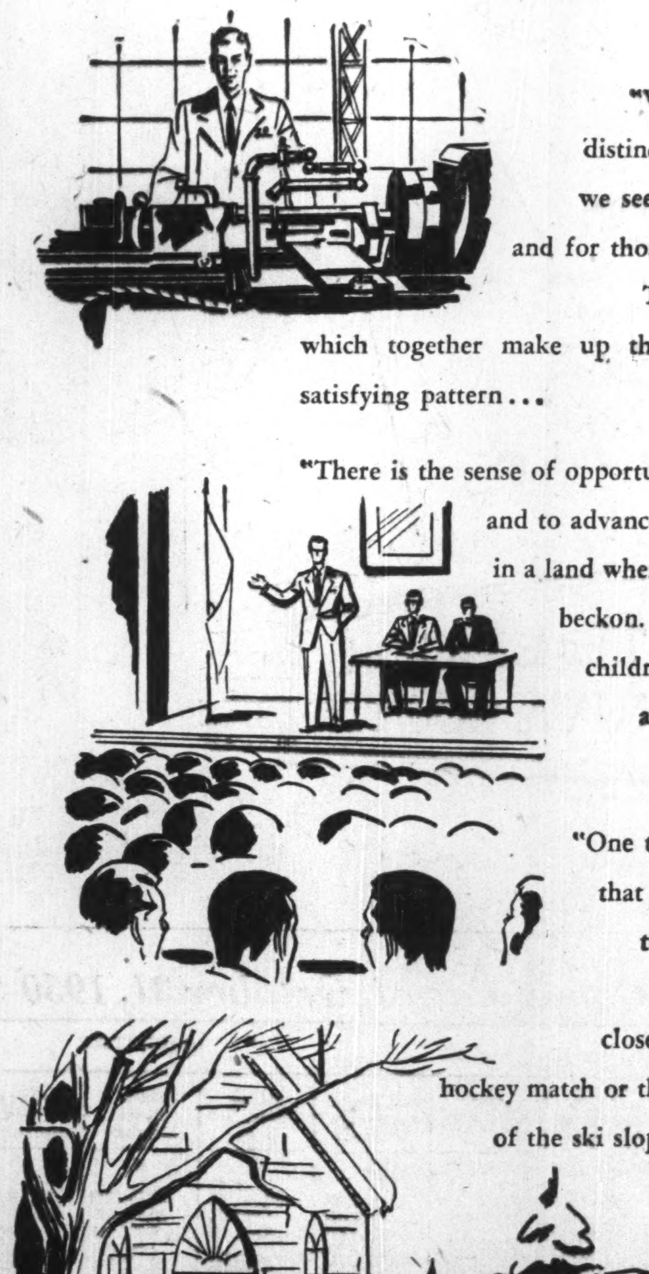
§Incl. in curr. assets in co's report.
†Includes $156,796 credit from prior yrs. tax adjust.

Working capital	1,796,486	1,505,867

CITY OF BELLEVILLE new issues totaling $346,319.38 3% debentures have been purchased by Anderson & Co. and The Dominion Bank at 98.11, cost basis to the city of 3.22%. Debentures mature $300,000 over 20 years, $12,400 over five years and $33,919.38 over 10 years. Proceeds for public school building, street cleaning machine and local improvements, respectively.

THE CANADIAN WAY OF LIFE

...something more than a living standard

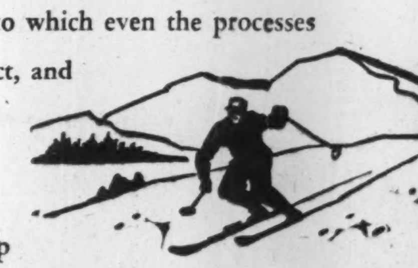


"What are the elements of a distinctively Canadian life which we seek to preserve for ourselves and for those who will come after us? They comprise many things which together make up the strands of a rich and satisfying pattern...

"There is the sense of opportunity — the chance to work and to advance in the job of one's choice in a land where frontiers of progress still beckon. There is the sight of healthy children going happily to school and returning to their play and to their beds in safety.

"One thinks, too, of those things that add colour and enjoyment to the Canadian scene — of holidays at the beach, the close packed excitement of the hockey match or the football game, the thrill of the ski slopes on a clear winter's day.

"There come to mind also those fundamental aspects of our heritage — the freedom to worship as one's conscience dictates, the deep confidence in firmly grounded and impartial institutions of law to which even the processes of government must be subject, and the quick sense to recognize and to remedy injustice.



"Perhaps it can be summed up by saying that, whatever our shortcomings as a nation, the Canadian concept of the good life stems from a belief in the inherent value of the individual, a belief which has its roots deep in religious principle and democratic tradition...

"Once more we face another challenge, different in nature from those confronting us hitherto. To meet it will test those qualities of enlightened and intelligent citizenship which will determine not only our national stature but also our influence for peace in an uneasy world."

B. C. GARDNER,
President

This quotation is from the address of the President of the Bank of Montreal at the B of M's recent annual meeting. If you would like to receive, when published, a free copy of the complete annual report carrying this address, write to the Bank of Montreal, Place d'Armes, Montreal.

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Research Group to Study Canada's Traffic Tangles

Canada is to have a National Road Research Institute. Its duties will include unravelling of some of the nation's traffic tangles, as well as research on improved roads and highways.

The Institute will be financed by grants from provincial governments and Canadian industry. Most provinces have already pledged their support; and indications are that industry will follow this lead.

Sponsoring body for the Institute is the Canadian Good Roads Association, whose directors have adopted a plan for its formation. Initially, pilot study is to be made by a small group of road and traffic experts. This is expected to take a year, will decide the size and scope of the Institute, its location and personnel.

Co-operation of the International Road Federation, whose headquarters are in Washington, D.C., has been obtained. Francis E. Twiss, director of planning and economics for the I.R.F. was in Toronto last week for preliminary talks.

What Institute Can Do

He told a press conference: "Canada has a great opportunity to correlate the research now being done by independent road and traffic groups both in Canada and the United States."

Experience in the U. S., said Twiss, had shown that a road research institute could:

—advise civic authorities on methods of relieving city traffic congestion;

—ensure better traffic flow on main highways;

—provide answers to parking problems;

—devise new methods of traffic control, improve existing ones;

—ensure improved, more economical, road construction;

—aid in reducing operating cost of road transport.

The Canadian Institute will be an autonomous, independent body, though it will probably work closely with Universities and other research groups.

$310 Millions for Roads

At the same time plans for the Institute were announced, Hon. J. T. Douglas (president of the Canadian Good Roads Association and Minister of Highways for Saskatchewan) revealed that Canada's 1951 expenditure on highways is expected to exceed $310 millions. This includes provision of new highways and bridges and maintenance of existing roads. The estimate is 11% higher than that for 1950.

Said Douglas: "The Good Roads Association urges most strongly that expenditures on road building should be given top priority in all public works programs. Any curtailment of road construction at this time would not only impede national progress but could well be termed wasteful economy.

"One of the reasons for the present critical road situation is the slowing down of road building and road maintenance during the last year. Such drastic curtailment should never be permitted again. Improvement of primary highways, secondary rural road systems and urban streets are recognized as contributing directly to national defense and should therefore receive high priority.

"The annual construction of an adequate mileage of good highways and the proper maintenance of existing roads are imperative for war and peace."

WALTER D. HEAGLE

president and general manager of National System of Baking Ltd., Hamilton, has been elected chairman, National Council of the Baking Industry, representing 2,000 members of Canadian bakery associations.

What the Provinces Received From Ottawa's Tax Rental

OTTAWA (Staff) — The Federal Government estimates it will pay eight provinces $136.5 million under the final (1951-52) year of the present tax agreements.

This figure was disclosed last week at the federal-provincial conference. It represents an 8% gain over the $126 million payable in the present (1950-51) fiscal year; is 53% above the guaranteed minimum of $89.1 million. The increase represents unexpected gains in both population and national income over expectations when the agreements were made in 1945.

Had Ontario and Quebec signed the agreement, the 1951-52 figure would have jumped to $331 million.

Here's the breakdown of how the federal rental payments are distributed, plus additional figures of what Ontario and Quebec might have obtained had they signed the present pact which expires March 31, 1952:

Tax Agreement Payments
(Dollar Millions)

	1951-52†	1950-51†	1949-50
Nfld.	9.6	8.9	8.1
P. E. I.	3.0	2.8	2.7
N. S.	16.4	15.2	13.9
N. B.	13.4	12.4	11.3
Man.	19.9	18.4	16.7
Sask.	20.6	19.2	17.7
Alta.	21.5	19.7	17.9
B.C.	32.0	29.3	26.4
Total	136.5	126.0	114.7
Ont.*	105.3	96.9	88.1
Que.*	89.3	82.3	75.0
Total	331.2	305.3	277.8

†Estimated

*Accounts receivable if these provinces had signed agreement.

Bond Redemptions

Bond Issues:	Rate	Year	Call	Price
*Cooksville Co. Ltd. 1st mtge. & coll. tr. s. f. bds.	4%	1967	Dec. 23	103.00
‡E. B. Eddy 1st mtge s.f. bds. ser. B	4%	1966	Dec. 15	100.00
*H. Smith Pap. 1st mtge. bds., 1948 ser.	3%	1954	Dec. 15	Par†
▪Lake St. John Pr. 25-yr. mtge. deb. ser. A	5%	....	Jan. 1	102.00

▪$84,600. *All outstanding.

†Par plus a premium of ⅛ of 1% for each year or fraction of a year of the unexpired portion of the stated term.

Staff Changes

Canadian chartered banks announce the following staff changes.

Montreal:

J. V. WALTERS, head office, to be assistant superintendent, head office.

J. A. McWHA, accountant, Homer and Hastings Sts., Vancouver, to be manager at branch shortly to be opened at Knight Road and Kingsway, Vancouver.

I. A. McDONALD, of the superintendent's dept., Winnipeg, to be manager, Bannerman and Main, Winnipeg.

D. A. L. BLACK, of assistant general manager's dept., Toronto, to be manager, James and Barton, Hamilton.

J. Y. C. CLOUTIER, of Park and Bernard, Montreal, to be manager, Seven Islands, Que.

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APPRAISALS
are "necessary protection" for every business man — protection against inadequate insurance coverage of buildings and machinery, tax inequalities, fluctuating values, etc. Warnock appraisals are accurate engineering estimates of value based on the present condition and actual depreciation of your buildings and equipment.

INSPECTION
Warnock engineers and inspectors are "your eyes" on construction jobs — checking the quality of materials, checking workmanship—contributing to a better looking, stronger, more durable building. Warnock inspection and testing of parts during manufacture eliminates defective items from your machinery and equipment orders.

EXPEDITING
Warnock expeditors closely follow through on your orders for materials, machinery and equipment. They eliminate bottlenecks and delays, keep you informed of progress and get the job delivered to you "on time".

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St. James, Man., Seeks Approval Refunding Plan

A plan to settle the consolidated debenture debt of the Rural Municipality of St. James, Man. is being submitted to debenture holders for approval. The plan can only become effective if it is consented to by the holders of 51% in value of the outstanding debentures and confirmed by Order-in-Council.

Briefly the plan provides for the exchange of the present consolidation debentures for new 3% 20-year annuity debentures of the same aggregate face value. The new debentures will be dated Dec. 31, 1950, payable in equal annual installments of combined principal and interest on Dec. 31, in each year from 1951 to 1970 inclusive and callable on any interest due date.

The Board has also ordered payment of coupons Nos. 49 and 50, dated July 1, 1950, and Jan. 1, 1951 at the rate of 2% per annum. The payment will be made by cheque at the time the present consolidation debentures are exchanged for new debentures under the plan.

St. James has been in financial difficulties for some years, having defaulted on interest payment due on and after July 1, 1932 upon its consolidated debenture debt bearing 5½% interest and maturing Jan. 1, 1956. Interest coupons have, however, been paid at reduced rates under various orders of the Municipal & Public Utility Board of Manitoba.

In 1943 an order required St. James in the five years 1942-46 to raise a minimum annual amount of $80,000 for debenture principal and interest, out of which interest was to be paid at 2% a year, the balance to be applied to purchase and cancel debentures. Since the expiration of that order in 1946, the municipality, operating under the supervision of the Board, has continued to provide $80,000 annually for debt service and has paid 2% on account of interest.

As at Oct. 1, 1950, the outstanding consolidation debentures had been reduced from $2,755,000 to $2,220,900 of which $1,321,100 was held by the Province of Manitoba. As at Oct. 31, 1950 the debt to the province was reduced to $528,440 by the sale to St. James by the province of $729,660 of its holdings at a price of 45%. This transaction reduced total outstanding debentures to $1,428,240 and made possible a satisfactory permanent refunding plan, J. E. Fortin, secretary of Winnipeg Suburban Municipal Bondholders Committee, advises holders.

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Should Canada Build Seaway Alone?

(Continued from page 17)

ability of getting the seaway enlarged if we are to speed and consolidate exploration and development in this area.

As matters now stand, only a very small tonnage of iron can move economically through the present canal. (About 2-2.5 million tons could be dispatched as return cargo in the small boats which now bring grain to Montreal through the restricted 14-ft. locks.)

Further movement of ore would have to be via expensive transhipment into rail cars to Prescott and thence by large, more economical boats through the other lakes.

As well, the Ungava may well become one of the next great base metals reserves in North America.

The original explorations in that area were for base metals, not iron ore. But base metals so far discovered are not sufficiently valuable to themselves justify the construction of a railroad. Now that the road is being built, the possibilities of economic development of other minerals are very great. And it is not unimportant that all mineral rights other than iron ore, belong to the Canadian principals—not to the present U. S. firms which are actively developing the iron ore prospect.

For Continental Defense

The third group of considerations for pressing the seaway at this time have mostly to do with defense. (Although both power and Ungava development have very strong defense implications.)

If we had the seaway, the important inland shipyards which dot the Great Lakes would be available for building much larger warships than can now be floated down the 14-ft. St. Lawrence bottleneck.

As well, we would have a cheap, protected inland route for western oil, metals, etc., and a further important hedge against sabotage or direct bombing of the present industrial lifeline at the Sault locks.

The argument on this last point was neatly summarized a few days ago by Freeman Lincoln in an authoritative and highly favorable article on the seaway, published in Fortune magazine. Says Mr. Lincoln:

"The seaway as a defense project is sharply criticized by all opponents on the ground that it would be impossible to defend from air attack. But if an enemy bomb could wreck the seaway, preventing iron-ore shipment from Labrador to the west, an enemy bomb could also wreck the present MacArthur Lock at Sault Ste. Marie, cutting off iron-ore shipments from the Mesabi Range. Proponents say that two routes are better than one. Opponents say that 'to multiply vulnerability is not to enhance the national defense' which is an argument not without vulnerability of its own."

A wide range of authorities in North America have urged the seaway as a defense measure.

In Canada, Defense Minister Claxton said last year: "In the interest of national defense and international security, the St. Lawrence waterways project should be started as soon as possible and pressed to completion."

In the United States, Secretary of State Dean Acheson said last April: "Both the seaway and power development would enhance the defense potential of Canada and the United States. This was pointed out by the Joint Chiefs of Staff in 1946. In May, 1947, the Permanent Joint Board on Defense, United States-Canada, of which I was a member said (in part): '—it is therefore the view of the Board that the early completion of this long-delayed enterprise on a cooperative basis satisfactory to both governments would contribute directly to the security of the North American continent.'"

Frank Pace, Jr., U. S. Secretary of the Army, speaking for the various department of defense agencies, including the U. S. Joint Chiefs of Staff, said in testimony at Washington last April: "The project has the approval and strong support of the Department of Defense."

What about Korea and the new rearmament and critical materials and manpower developments since last spring?

In the Canadian view, the need for power and strengthening North American defenses since June 27, makes the seaway even more important and urgent. If legal and political obstacles could be removed, the government would clear the way for construction and development as quickly as possible in the hope that it could be well under way in the event of a third world war.

If a third world war were to break out in the near future, this resolve might have to be altered. But the present idea at Ottawa, is to look at the St. Lawrence as something to be proceeded with as quickly as possible, in the belief that come war or peace, it is "a project of highest priority in the industrial development of the Dominion." (Certainly, so long as we permit use of manpower and materials in thousands of undertakings which are of doubtful or little priority in this regard, the Seaway, with its very high priority rating, is looked on as something very much beyond the pale of "postponable" public works.)

What would the power and seaway require in respect of manpower and critical raw materials?

The most recent Canadian estimates say that the completed project in the St. Lawrence River section itself, are of this order:

Cement	7.3 million bbl.
Reinforcing Steel	68,750 tons
Structural Steel	79,200 tons

Manpower requirements are harder to state precisely. But one estimate given The Post says the seaway would require about 15,000 men on site for six years.

Still Need U. S. Approval

Could Canada go ahead with the St. Lawrence legally without legislative approval from the United States Congress?

The answer seems to be this:

1. Any development of the international section of the St. Lawrence would require "the authority of the United States" and "the approval of the International Joint Commission."

The tidiest way to get that authority and approval would be through a treaty such as has been proposed repeatedly, but blocked as repeatedly by railway, labor and sectional interests in the U. S. Senate. Such a treaty would permit the setting up of a joint Great Lakes Commission to build and manage the undertaking.

But there is important precedent to establish that the "authority of the United States" (which is the wording of the 1907 Boundary Waters Treaty, and without which there can be "no further diversion of boundary waters") refers not to Congressional, but to "executive" or presidential action.

Thus in 1914, the Algoma Steel Corp. and the Michigan Northern Power Co. applied to the U. S. A. for permission under the 1907 treaty to: (a) build power sites on the St. Mary's River at Sault Ste. Marie; (b) divert water for these sites; (c) build remedial works across the river. (Each applicant was to build its own half and meet in the middle.)

This appears to be an exactly parallel situation to what would be required, if there were to be joint Ontario and New York power development. And in the 1914 case, the necessary U. S. approval was forthcoming as an executive order without any submission to Congress.

To date, President Truman has halted a purely power development in the St. Lawrence by the expedient of refusing to forward the application to the International Joint Commission. Since early 1948, this joint application has been pigeon-holed in the Department of State. Equally bogged down, has been a concurrent application by Ontario and New York to the Federal Power Commission.

The new factor, if an all-Canada seaway were to develop, would be that the Canadian Government would be behind the plan and that there would be a firm undertaking by our government to build a 27-ft. seaway, as well as the power scheme. This might meet President Truman's stated reason that he is withholding his approval because he wants both power and a seaway and not only a power development.

Might Cause Delay

There is no doubt that if Congress rejects the seaway in 1951 and Canada presses for an all-Canada project, there will be a considerable delay in working out the new approach.

It is estimated it would take possibly three months to get the matter before the International Joint Commission—even with Presidential approval. After that it is believed it might take upwards of a year for the IJC to hear evidence, make its own studies and bring in a report. (The actual machinery would probably be for Canada, Ontario and New York to set up an informal board of experts to "process" the application. It is likely such a board might become permanent; might be designated by the IJC as the responsible continuing authority.

There is little doubt that since once the political considerations are resolved, there would be no difficulty about getting approval on the technical or engineering side. Every authority which has studied the project so far has agreed the seaway is practicable. The all-Canada route has always been a practical possibility, but because it cost some $30 millions more than the route in through U. S. waters, it had not heretofore been considered very seriously.

Also, for the future, an all-Canada route would have very substantial practical advantages for Canada.

If a joint route is built, it will only now be built on the understanding that it is to be self-liquidating; that tolls will be charged, adequate to pay for the project over a period of years.

Canada has agreed to this in principle, but not in detail.

What would be ahead then, once the Senate approved, would be a highly controversial and difficult negotiation as to what tolls are fair and reasonable. There is a possibility, for example, that opposing U. S. interests might still continue their anti-St. Lawrence fight in such a way as to require tolls that might well be prohibitive to the economic movement of Canadian iron ore through the seaway.

On this score, an all-Canada seaway would be a simple and much more manageable plan.

Canada would own the seaway; would be completely free to charge whatever tolls she liked. We could write off our $200 millions investment in a reasonable time; would then be able to get a very nice long-term income to offset the huge investment we have made over the years in other parts of our canal system.

As well, unit construction costs in Canada are substantially lower than in the United States for this type of work. It is likely that the whole project could be done much more economically as an all-Canadian scheme.

New Manufacturer in Field To Can Foods For Babies

Competition for Canada's $10-millions-a-year-and-growing baby foods market is getting keener. Last week Gerber-Ogilvie Baby Foods Ltd., representing one of the largest baby foods manufacturers in the U. S., started shipments of 17 brands of canned baby foods from its newly acquired Niagara Falls, Ont. plant.

This puts at least six of the larger canning firms into the fast-growing baby food market. Four firms, including two of the canning firms, are also manufacturing special cereals for babies. Baby foods are said among the fastest moving lines in chain store business today.

Babies are being born at the rate of around 350,000 a year and can go onto the specially prepared strained foods at three months. But annual sales volume of the foods is said increasing at a faster clip than baby population. Wider use among baby population and particularly, increasing use among adults and people who can only eat soft foods are big factors in the steady sales rise. More and more doctors are said to be prescribing the canned fruits, vegetables and meats for adults with certain digestive impairments.

The elaborate sales promotion activities which have characterized this business in recent years are expected to be stepped up even further with the entry of the new Gerber-Ogilvie contender into the market. Special offers and other literature is mailed out weekly to new mothers. The fact that babies do not readily change from one food to another accounts for some of the stress put on the new mother business by several of the canning companies.

Retail prices of canned baby foods recently moved up from 2c to 3c per three cans and during the last couple of weeks prices firmed further at manufacturing level. Most cost items in manufacturing and shipping have increased over the last year, manufacturers claim.

Although the business is a comparatively young one starting in the U. S. a few years before the war, it was during the latter war years when fresh fruit and vegetables were scarce that volume started to reach large proportions. Since that time the business has experienced annual sales increases every year.

Gerber-Ogilvie purchased their Niagara Falls plant from D'Arcy Cropp Co. and now employ approximately 100 workers. Production target for 1951 is around $1.3 millions. The company is jointly owned by Ogilvie Flour Mills and Gerber Products Co., Fremont, Mich. Same formulae and production methods will be used as the U. S. company while the Oglivie sales organization will handle national distribution. Gerber-Ogilvie has been making and selling three brands of baby cereals in the Canadian market for several years. The company plans to introduce a fourth brand shortly after the new year.

Here are chief manufacturers of canned baby foods in Canada: H. J. Heinz Co. of Canada, Canadian Canners, Libby McNeill & Libby of Canada, Swift Canadian Co., Campbell Soup Co. and Gerber-Ogilvie Baby Foods Co. The following firms make baby cereals: Mead Johnson & Co., Nutrim Co., H. J. Heinz Co. and Gerber-Ogilvie Baby Foods.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

GENERAL PETROLEUMS OF CANADA LTD. net profit for the year ended Sept. 30, 1950, amounted to $362,970, compared to the previous year's $540,512.

In the past year, conditions were varied; in the first part, drilling demand was reduced and price cutting surged, hampering operations. However, these conditions improved and the latter part of the year was quite successful.

During the year, the company drilled a total depth of 450,746 ft. (over 11% of total Alberta footage) and completed 113 wells. In order to meet demand, a new drilling rig was purchased. Since the end of the year, two more rigs were purchased.

The company entered into an agreement with Federated Petroleums Ltd. to bid on proven acreage in Redwater area and a 12½% interest in a half section was obtained in May, 1950. Eight producing wells were completed and estimated recoverable reserves are 1,325,000 bbls. In a second quarter section acquired in July, four producing wells were developed and 368,000 bbls. are estimated recoverable. Interest is 13.6%.

Early in the year, a sub-lease was acquired on a quarter section from Imperial Oil Ltd. and, in partnership with Superior Oil Ltd., two wells were developed. This proved to be a marginal operation but a profit is expected.

As many as 35 wells are expected to be completed in the Joseph Lake area by the end of December with General Pete. holding a 21% interest in reserve.

The company participated in drillings on Craigmyle and Morningside areas but these proved to be unproductive.

Negotiations have been carried out in Edmonton for purchase of property there, to set up field headquarters. During the coming year, a building program is expected.

The plan for acquiring interests in geologically favorable ground, proven areas and participation in testing of favorable "seismograph highs" has continued to meet with considerable success and this plan will be continued.

INCOME ACCOUNT

Years Ended Sept. 30:	1950	1949
Prod'n rev.	......	$19,231
Contract prof.	......	1,285,402
Add: Other inc.	......	39,472
Total revenue	$1,298,339	1,344,105
Less: Admin. exp.	243,348	226,850
Depr.	407,025	175,893
Bad debts	68,669	91,346
Bond int.	22,786	22,757
Taxes	75,560	267,516
Dev. w/o	117,981	19,231
Net profit	362,970	540,512
Less: Divds.	117,020	53,020
Surp. for year	245,950	487,492
Earnings per Share and Dividend Record:		
Cl. A & Ord.	*$0.45	$0.20
Paid (old)	0.04	0.02

*After 1-for-4 split.

CONDENSED BALANCE SHEET

As at Sept. 30:	1950	1949
Cash	$2,636	$291,355
Bonds	892,532	205,442
Due re debentures	2,384,375	......
Accts., etc., rec.	685,706	226,286
Stores on hand	69,294	80,166
Total curr. assets	4,034,543	803,249
Def. & prep. chgs.	22,686	......
Invest.†	907,755	156,861
Other assets	146,187	......
Fixed assets‡	973,313	782,932
Total assets	6,084,484	1,743,042
Bank loans	904,589	......
Accts., etc., pay.	533,347	308,531
Bond redempt.	328,900	......
Taxes pay.	......	216,194
Total curr. liabs.	1,766,836	524,725
Sls. agree. purch.	§118,750	......
Res. for contr.	52,493	26,084
Funded debt	2,500,000	367,900
Capital stock	800,000	295,450
Surplus	846,505	528,883
†After res. of	155,432	59,998
‡After depr. of	870,373	498,429
§Incl. in curr. liabs. in co's report.		
Working capital	2,267,807	278,524

UNITED CO-OPERATIVES OF ONTARIO earned surplus for the year ended Sept. 30, 1950, amounted to $14,217. Net earnings from operations for the year totaled $291,701. Provision for patronage refunds amounted to $226,609 for member organizations and $25,641 for non-member.

Current assets totaled $2,454,682 which includes $1,070,976 for merchandise inventories. Investments in or advances to other co-ops totaled $40,314 at Sept. 30, 1950. Capital assets less additional depreciation on new basis, were valued at $1,004,079.

Current liabilities amounted to $1,660,435. Deferred liabilities totaled $179,618 and include deferred patronage refunds of $164,618. Debenture debt, consisting of 4% redeemable debentures, totaled $521,200, of which $486,000 matures from 1952-1962 and the balance from 1955-1969.

Capital stock outstanding consisted of 96,497 preferred shares valued at $675,479 and 36,081 common shares valued at $360,810. Capital surplus amounted to $87,317 at Sept. 30, 1950.

Austrian Firm Soon Producing Textiles Here

In two weeks Canada's newest textile plant will be swinging into production at Ajax, Ont.

Canbri Manufacturing Co., representing Austrian and British interests, will specialize in cotton broadcloth shirting materials. Expenditures of around $650,000 include a new single-story concrete plant providing 17,000 sq. ft. of floor space, a reconverted munition plant providing another 17,000 sq. ft. and extensive modern textile equipment imported from the U. K. and Switzerland.

Canbri is the general representatives in Canada of F. M. Hammerlie—a well-known Austrian textile manufacturing firm—and Benj-Heskia Ltd., an associated Austrian merchandising firm. Some 50 European specialists have been brought in and established at Ajax to form a strong core of experienced personnel. In addition, some 150 Canadian workers will be employed when operations reach full capacity. Production rate will start at two million yds. of weaving and six million yds. finishing a year.

Unique features as far as the Canadian cotton textile industry will be: cotton fabric will be dyed in the yarn rather than in the piece; all yarn will be imported and made from long-staple Egyptian raw cotton rather than U. S. cotton. A large percentage of the type of goods that Canbri proposes to produce has formerly been imported from the U. S. Company officials see an indicated market in Canada for more than their annual initial production run. Ultimate export to the U. S. is also being considered.

Charles Heskia of London, Eng., president and managing director, has already taken up residence at Ajax.

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PROVINCIAL ROUNDUP
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THE FINANCIAL POST—$6 A YEAR

T.S.E. Short Position Down

Semi-monthly position report of the Toronto Stock Exchange as of Nov. 30 shows the aggregate short position, eliminating odd lots, on the books of member firms at 229,860 shares of 120 issues, compared with 328,090 shares of 130 issues on Nov. 15.

Largest net changes from the previous compilation in individual mining issues were:

Stock	Shares	Stock	Shares
Oil Select.	—34,000	Que. Man.	—4,600
Acadia-Uran.	8,000	G. Manitou	—3,000
Natl. Pete.	—6,400	Newlund	—2,500
N. Norzone	—6,000		

Largest net changes in individual industrial issues were:

Stock	Shares	Stock	Shares
Trans.-Tele.	1,000	Imp. Oil	—300
B.C. For. Pr.	—500	Dist.-Seag.	—300
Can. Marconi	—300	Wpg. Electric	300

Here is the complete short position:

Stock	Shares	Stock	Shares
Abitibi	1,495	Kelore	1,000
Acadia-Uran.	12,000	Kerr-Addison	1,500
Algoma Steel	100	Labrador	2,500
Anacon	1,700	Lake Dufault	500
Anglo-Cdn.	100	Lake-Osu	1,000
Anglo-Nfld.	225	Macassa	400
Argus	600	MacDonald	3,000
Arjon	1,000	Mackeno	2,100
Ascot	23,000	MacLeod	600
Atlantic Oil	1,900	Madsen	100
Atlas Steels	110	Malartic G. F.	1,000
Aumaque	2,000	Massey-Harris	1,000
Base Metals	5,500	McKenzie	3,500
Bevcourt	1,500	Mic-Continent	6,500
B. C. Forest	800	M. & O. Paper	50
Brown Co.	700	Natl. Pete.	14,500
Buffalo Ank.	100	New Calumet	1,100
Cal. & Ed.	1,200	N. Dickenson	1,100
Can. Packers B	100	Newlund	28,700
Can. S. S. Lines	50	N. Norzone	500
Can. Brew.	2,190	Nicholson	1,000
Can. Car	25	Noranda	50
Can. Celanese	75	Normetal	300
Can. Marconi	200	Ogama-Rock.	1,500
C.P.R.	350	Oil Selections	6,000
Can. Vickers	1,000	Orange Crush	600
Cent. Leduc	1,000	Osisko	14,000
Chem. Res.	400	Pacific Pete.	100
Chesterville	5,500	Paymaster	2,500
Chimo	500	Pend Oreille	1,000
Cobalt Lode	500	Petrol O & G.	500
Cochenour	1,400	Porc. Reef	1,000
Cock. Plow	100	Powell Rouyn	500
Comm. Pete.	400	Price Bros.	75
Cons. Paper	205	Que. Manitou	2,300
Cons. Smelters	150	Quenston	9,000
Corby B	25	Quemont	250
Delnite	200	Redwater-Pic.	500
Detta	500	Royalite	300
Dist.-Seag.	200	Sherritt G.	6,800
Dome	100	Silanco	1,000
Dom. Steel B	150	Silver-Miller	1,000
Donalda	1,000	Stand. Chem.	400
Eastern Steel	100	Starratt O.	2,500
East Sullivan	1,100	Steep Rock	7,500
El Pen-Rey	1,000	Superior Oils	500
Eureka	2,000	Teck-Hughes	100
Fed. Pete.	1,600	Torbrit	500
Ford A	275	Tower Pete.	500
Garrison Oil	300	Trans. T. V.	1,000
Giant Yk.	1,900	Un. Asbestos	1,000
Gillies Lake	500	United Keno	350
Golden Man.	5,000	Upper Can.	500
Gt. Lakes Paper	300	Ventures	200
Gypsum	100	Villbona	1,000
Hudson Bay	75	Waite Amulet	350
Hugh-Pam	500	Walkers G&W	500
Imp. Oil	1,200	Windward	2,000
Int. Nickel	100	Wpg. Electric	375
Int. Paper	760		
Joliet-Que.	2,500	TOTAL	229,860

YOU ASKED US

The Financial Post will provide subscribers as quickly as possible with the answers to specific questions about business, taxation, investments, and other subjects. The Post cannot undertake to make predictions, will not express opinion on matters involving individual business judgment or on conditions or investments outside Canada. All communications should be addressed to Business Enquiry Editor, The Financial Post, 481 University Ave., Toronto 2. A four-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. If more than one enquiry is being sent, subscribers are asked to submit each on a separate sheet of paper, to facilitate research work entailed.

INVESTMENTS

Standard Paving

What is the present position of Standard Paving & Materials Ltd.? How has it been doing? I am interested in the common stock. How would war affect it?

Standard Paving & Materials Ltd. through subsidiaries operates as a paving contractor and supplies sand and gravel for construction work in Ontario and the Maritime Provinces. A subsidiary erects steel fabricated buildings.

Earnings in the current fiscal year are understood to be running at about the same level as in the last fiscal year.

Earnings per common share, for the fiscal years ending March 31 and after participation, have been $2.36 in 1950, $2.93 in 1949, $1.29 in 1948, nil in 1947 and deficits in 1946, 1945 and 1944. Common dividends are being paid at the rate of $1 a share which rate was established with the payment of 50c a share on April 1, 1949. An extra dividend of 50c a year was paid on January 3, 1950.

The Financial Post understands that the company is considering an enlargement of its sand and gravel facilities at a cost of around $500,000. This, it is understood, will be financed out of working capital.

Working capital amounted to $1,287,597 at March 31, 1950, up considerably from its level of $714,305 at March 31, 1947.

The company emerged from the last war in a stronger financial position than at the beginning. Since the end of the war we understand it has purchased a lot of new equipment. It has also acquired the outside interest in Consolidated Sand & Gravel which company is now a wholly owned subsidiary. Company officials believe that no matter what happens the governments will have to keep up the roads which, of course, is its main business. They also feel that in case of war there would be a substantial amount of business on paving for airports, etc. You will appreciate, however, on the other hand that they may be affected by lack of manpower and like all other companies will be affected by any increase in corporation income tax rates.

The common stock is currently quoted about $13 a share. It had a 1950 high of $18 a share, and a 1950 low of $12½ a share.

Anglo-Nfld. Development

Please give me some information on Anglo-Newfoundland Development Co.

Anglo Newfoundland Development Co. has just taken the first step towards capitalization of most of its earned surplus and reserves, creation of 3 million new $5 ordinary shares and payment of a 200% stock dividend and a $2 a share cash dividend on the $9,164,025 common stock, $5 par, now outstanding.

When the present changes are completed, the company will have an authorized capital of $30 millions compared with the present $15 millions. Through the stock dividend, the amount of common stock outstanding will be increased to $27,492,075.

The company's balance sheet at Dec. 31, 1949 showed fixed assets of $14,995,962 after deducting depreciation and depletion of $14,593,575. It also had reserves totalling $14,982,274 capital stock of $9,099,025 and earned surplus of $13,167,267. Total current assets were $25,229,322, including $8,304,601 cash, compared with current liabilities of $4,467,957.

Consolidated net profit last year was $2,868,585 compared with $6,046,380 in 1948. Earnings per common share worked out to $1.58 ($3.32 the year before) and the company paid a dividend of $1 per share in each year.

The company is understood to have been experiencing improved earnings this year compared with last year. Its newsprint and sulphite pulp operations have been at capacity, and it is expected that newsprint output will be even greater next year due to the improvements now being made at the mill. Present rate is about 700 tons of newsprint daily and this is expected to reach 750 tons a day by the end of next year. That will mean that the annual capacity will have been increased from 160,000 tons in 1945 to 230,000 tons.

The company still has to spend somewhere between $3 millions and $4 millions on its capital expansion program, but it is expected that this will be provided out of depreciation and future earnings.

Current higher prices for unbleached sulphite are increasing earnings from the company's wholly owned subsidiary, Gaspesia Sulphite Co., which has been operating close to capacity all year (665,000 tons per annum) and the market remains strong.

Outlook for its earnings from the Buchans Mining Co. also appear bright in view of recent ore discoveries which have indicated a life of at least ten to fifteen years for the mine at the present milling rate. A 50% interest in the net profit of Buchans Mining Co. is held by Terra Nova Properties Ltd., a subsidiary in which Anglo Newfoundland holds a 99.7% interest.

BOOKS FOR BUSINESSMEN

RADIO, TELEVISION AND SOCIETY, by Charles A. Siepmann; Oxford University Press, Toronto; 410 pages; $5.50.

While most of this book is based on U. S. experience, Canadians will find many points of reference and opinion of value.

The author sums up his chapter on Canada, referring to the CBC, by saying that Canada . . . "wants to please but still more to serve the best interests of its people."

And of television: "(It) will create its own dramatic make-believe, but it will be of an order different from that of the film. . . . Television lends itself to the development of a new kind of drama in which action is not, as in the film, predominantly physical, but psychological—both sight and sound serving to give overt expression to the covert operations of the mind."

SIX EASY WAYS TO RECOGNIZE A BAD CHEQUE, By C. H. Fletcher, published by Fraud Detection and Prevention Bureau, 2515 West 82nd St., Chicago 29, Ill. $1 for single copies, down to 15 cents a copy in large quantities.

Estimated that losses from bad cheques exceed $1 million a day, the publishers have issued this 22 page book designed to stop fraudulent cheques at their source.

Indicators of worthless cheques are listed as:

Strokes are made with lines some of which have rough edges;

Blots and blurs are seen;

Hesitation of writer caused square letter formations or retracing of stroke to strengthen it;

Erasing of some part of original writing;

Use of different ink at end of word indicating amount, or in payee's name;

Striking similarities of letter formations, in signatures of maker and endorser.

Pictures and explanations of meaning of certain features of a cheque, etc. make the book useful to bank tellers, company cashiers

C.S.A. LIST OF APPROVED ELECTRICAL EQUIPMENT, Third Edition, Canadian Standards Association, Toronto; 700 pages; $10.

Detailed descriptions are given in this reference work of electrical equipment, apparatus and supplies listed on the approved records of the Canadian Standards Association as at May 1, 1950. Details are arranged alphabetically both as to subjects and manufacturers' names.

REGISTER OF BRITISH MANUFACTURERS, Federation of British Industries, Iliffe & Sons Ltd., London, S.E.1.; 1,028 pages; £2.2.0.

A standard work of reference on British industry, useful to all buying or seeking goods in Britain. A buyers' guide lists 5,000 products and services and firms supplying them; firms are listed alphabetically with details of products, home and overseas branches and agencies. Trade Associations are also listed and there is a list of brand and trade names. Further details are available at the Toronto office of the Federation of British Industries.

T.S.E. Values Show Decline

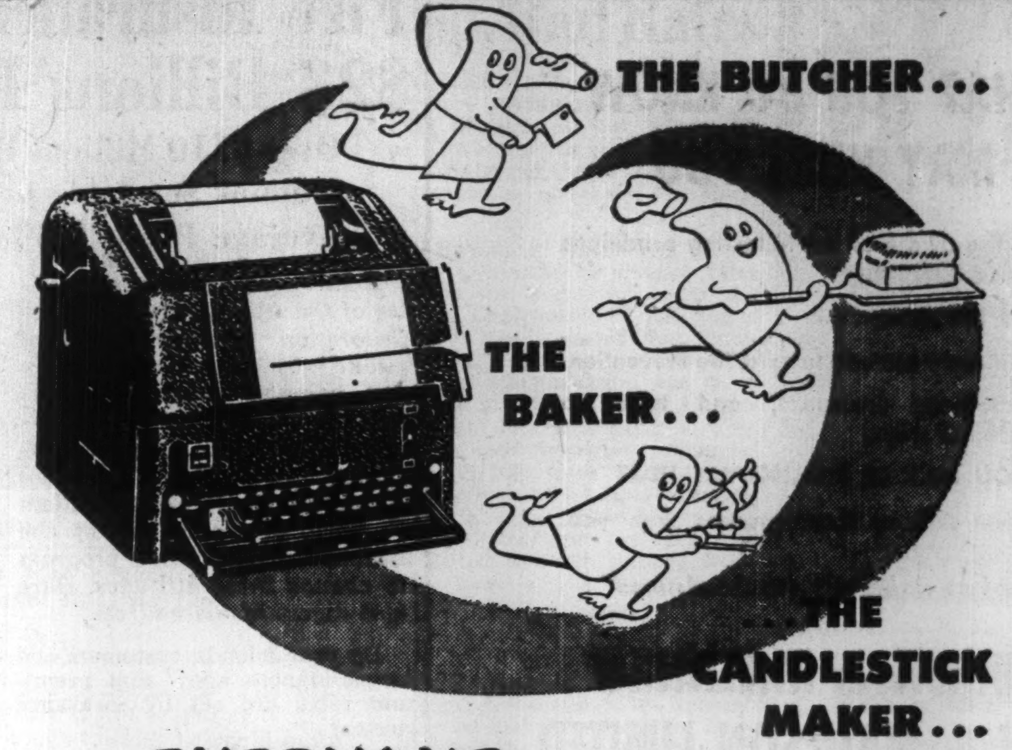
Toronto Stock Exchange values for the month of November at $9,501,208,823 were down $143 million from the previous month. This figure, while lower than October's record, was well above the August value of $9,257,710,073.

Of the 19 industrial groups tabulated by the exchange, only six showed advances. Largest declines were shown by oil refining and producing gold issues, off $76 million and $40.5 million respectively. In other groups, base metals fell $21.5 million, gold prospects $17 million, liquors $15 million, western oils $11.5 million and 31 utilities $10.5 million. Agricultural, financial, food and allied, motor and allied issues were down amounts ranging to $6.5 million.

Figures as taken were after effects of the Korean setback were felt. Prior to this, industrial and base metal issues had been at record highs.

The tabulation made of the 913 listed stocks and, in the industries shown, four groups are in the billion dollar value class: 54 base metals, $1,624,269,894, 89 manufacturing issues, $1,115,382,391, 16 oil refining issues, $1,087,615,659 and 31 utilities, $1,044,657,553. Next to these, 32 paper company issues are placed just under the billion mark.

At month's end, the Exchange's indices confirmed the lower trend with 20 industrials closing at 276.8, gold at 73.72, base metals at 151.92 and western oils at 74.14 as compared with the previous month's end closes (industrials, 277.43; golds, 81.41; base metals, 151.95; western oils, 82.49).



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Fire Insurance At Risk $23 Billions In Canada

Over $110 Millions Paid in Claims and $43.6 Millions Set Aside in Reserve in One Year—Average Profit 2.5%

A survey of a special committee of the All-Canada Insurance Federation recently indicated public misconception of the fire and casualty insurance business. In an address to the Toronto Insurance Agents' Association and the Toronto Insurance Conference, William F. Spry, vice-president of the Federation, discussed a program to change these attitudes. Here is a digest of his address:

Do your friends, customers and acquaintances know that premium rates are set by insurance losses?

Do they know that in the last fully reported year — 1948 — the fire and casualty insurance companies paid a total of over $110,390,000 in losses and set aside reserves of over $43,580,000 for outstanding but unsettled claims?

Do they know that in Canada these companies have deposited with the Dominion Government, as added protection for policyholders, $298,400,000 and maintain unearned premium reserves of $121,000,000?

Do they know that for fire insurance alone, the total amount at risk and covered by insurance is over $23 billions?

Do they know that from earned premiums of almost $180,000,000 the underwriting profit for all companies combined, before taxes, was only $6,637,000?

Taxes of over $2 millions reduced the total profit to a mere 2.41% and the underwriting profit for the three postwar years 1946-48 was actually less than 1%, a very small percentage of profit, considering the risk.

Do they know that over the last ten years only an infinitesimal proportion of all insurance claims has been settled with recourse to the courts?

Settlements are nearly always amicably arranged between contracting parties.

Companies and agents frequently have different ways of looking at the same thing. Basically, however, they both have the same objective in mind — to provide an insurance service to the public and to earn a living by providing that service. The insurance-buying public will not be satisfied unless both companies and agents are working in unison to do that job.

Common sense, vigorous competition and necessity of enjoying public confidence are ample guarantees that the insurance business does operate to the best interests of the people of Canada. But we must be sure that people know it.

Nationalization Campaign

There is already in Canada a certain number of people who feel that public utilities and important national services should be nationalized and operated by the Government. Insurance is not a public utility but it is becoming more and more a part of everyday living. Certain people feel that insurance is so essential under present day conditions that it too should be nationalized and many people who actually favor free enterprise know so little about the business they are apathetic.

In a democratie country it doesn't matter in the least on an election day what the real facts of the situation are. What does matter when it comes time to mark ballots is, what people think the facts are. There is sometimes a world of difference. In other words, a vote is an expression of opinion which is not necessarily based on facts, and it is possible that a lot of people today are misinformed about the insurance business.

To develop better public relations across the country, the companies themselves have appropriated a considerable sum of money.

Survey Is Made

When we decided to undertake a public relations campaign we asked a public relations company to make an exhaustive study of our problems. They interviewed all classes of people right across the country.

Here are some of the things they found:

The public, the press and others, whose goodwill is necessary to our continued success, were reported to be often either misinformed or badly lacking in information about our business. Some see us as a profitable monopoly. A large group thought our business methods — yours and mine — were "inefficient, outmoded and inconsistent."

The public, the reports say, is acutely conscious of rising rates, particularly automobile rates, without knowing the fundamental fact that is responsible for the rise. The public often doesn't understand what we are talking about—our language is too technical for most people. Many people are very vague about the terms and coverage of their policies which leads to misunderstandings when claims are made.

Those are just a few of the things the report turned up. Most of us may have suspected that these attitudes existed — now we know. Our Public Relations problem is to change those attitudes by telling people the facts.

'Princess' Ships Get New Guards

MONTREAL (Staff)—An $800,000 program to provide additional passenger safety on Canadian Pacific's 10 steamers of its "Princess" fleet is being launched. The new fire precautions are said to be in addition to those maintained by the line under Canadian Department of Transport approval since the various ships were first put into service. Major items will be installation of special sprinkler systems in all cabins and public rooms, steel hull firewall and doors, emergency escape hatches, fire-resistant paint and additional fire hose facilities.

Officially called the British Columbia Steamship Service, the fleet operates between Seattle, Vancouver and Victoria, and British Columbia and Alaskan ports as far north as Skagway. The vessels will be taken out of service one at a time, refitted in Victoria shipyards, and will be back in service by the start of the 1951 season.

60-Cycle Power For New Plants In Toronto in '51

In early fall of 1951, 60-cycle power will be made available to new factories in the Greater Toronto area through Hydro's transformer stations at Strachan Ave., Wiltshire, Leaside and Fairbanks. This changeover will make it possible to use 60-cycle equipment in any new factory built in these sections, as long as the secondary distribution facilities can be provided by municipal systems, Hydro Chairman Robert H. Saunders states.

By making the changeover at this time, the need for changing over the equipment of such new factories at later dates should be eliminated.

It is expected that 10,000 kw at 60 cycles will be available from the Wiltshire station in July, 1951 and a further 10,000 kw in December, 1951. Strachan Ave. station will supply 40,000 kw., Fairbanks, 20,000 kw and Leaside, 20,000 kw., early in the fall of 1951.

This 60-cycle power will be transmitted from new generating stations on the Ottawa River to the Kipling and Scarborough transformer stations, to be fed into the Greater Toronto area.

FECB Eases Rule On Indiv. Payments

Canadian residents may, in future, accept payment in either Canadian or U. S. dollars for services rendered to residents of the United States, Finance Minister Abbott has announced.

Heretofore, Canadians performing services for U. S. residents have ordinarily been required to obtain payment in U. S. dollars only. Amendments to the F.E.C.B. regulations now permit the alternative of accepting payment in Canadian dollars.

No change is being made in the regulations governing the currencies acceptable in payment for export of goods from Canada, Mr. Abbott said. As in the past, exporters are required to obtain payment in U. S. dollars for shipments to the United States and other countries in the U. S. dollar area.

ST. HYACINTHE, QUE. has sold $100,000 3% bonds due Nov. 1, 1951-70 to J. E. Laflamme Ltd. at 97.39. Net average interest 3,296%. Proceeds for sewers. Net consolidated debt $3,302,167 at Dec. 31, 1949. Population 19,858.

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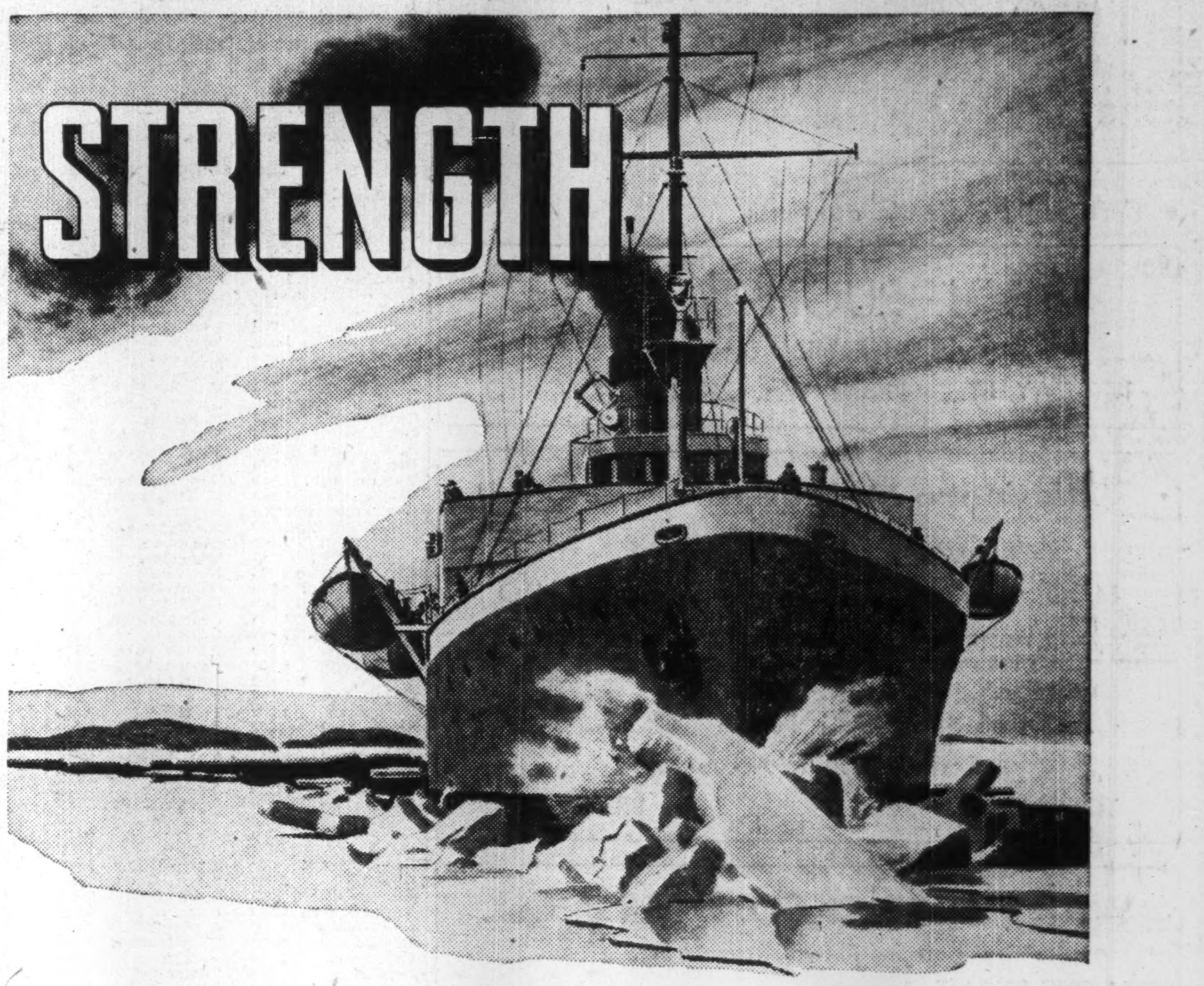

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TORONTO

WHAT WILL YOU PAY FOR AUTOMOBILE INSURANCE NEXT YEAR?

1. If you are in the select driver class—(where your car is used chiefly for pleasure and no one under 25 years of age in your household drives it.)

A **REDUCTION** in rates. Why? Because insurance rates are set by insurance loss statistics, prepared in accordance with provincial government laws. Experience has shown that the select driver class, because of lower loss statistics, is entitled to lower insurance rates.

FOR EXAMPLE

	1950	1951	SAVING
For fire, theft, public liability and property damage, passenger hazard and $50 deductible collision insurance for a 1950 Ford, Chevrolet or Plymouth in Toronto and Hamilton.	$75.00	$68.00	$7.00

The saving in most other parts of Ontario will be similar **EXCEPT** in Windsor, Sarnia, Welland and Port Colborne where accident records show that insurance rates must be raised.

2. If your car is used chiefly for pleasure and someone under 25 years of age in your household drives it.

An **INCREASE** in rates. Why? Autos driven, even partially, by youthful drivers had over *30 per cent* higher insurance losses than autos in the select class. This group must naturally pay higher insurance rates. Those in the group that has the heavier losses should pay for the necessarily higher rates.

FOR EXAMPLE

	1950	1951	INCREASE
For fire, theft, public liability and property damage, passenger hazard and $50 deductible collision insurance for a 1950 Ford, Chevrolet or Plymouth in Toronto and Hamilton.	$86.00	$89.00	$3.00

3. If your car is used chiefly for business:

An **INCREASE** in rates. Why? Autos used for business were involved in over *75 per cent more* accidents than those in the select group. So, naturally, this group must pay high insurance rates as long as that accident record continues.

FOR EXAMPLE

	1950	1951	INCREASE
For fire, theft, public liability and property damage, passenger hazard and $50 deductible collision insurance for a 1950 Ford, Chevrolet or Plymouth in Toronto and Hamilton.	$108.00	$109.00	$1.00

FOR FURTHER INFORMATION SEE YOUR INSURANCE AGENT:

Because of the increased costs of replacing wrecked automobiles, the increased costs of automobile repairs and the increased costs of medical and hospital care, insurance rates, like most other prices, are tending upwards. But the most important factor affecting insurance rates is your driving—good or bad—so . . .

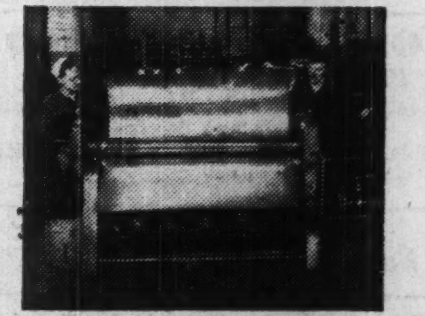
REMEMBER . . . . . YOU SET YOUR OWN INSURANCE RATES

Published by the Insurance Companies, Members of
CANADIAN UNDERWRITERS' ASSOCIATION
INDEPENDENT AUTOMOBILE AND CASUALTY INSURANCE CONFERENCE

Anaconda CO-OPERATES WITH INDUSTRY

(Photographs courtesy General Steel Wares Limited)

Anaconda cold rolled annealed sheet copper for coffee urns is sheared to size.



A step in the manufacture of Everdur hot water storage tanks.

Here, tank ends are acetylene welded to the bodies using Everdur welding rods.

Copper

The Metal of Many Uses

Over a century ago—in 1847—a great industry began which is known to-day as General Steel Wares Limited.

This progressive company, which expanded to include plants in key cities across the country, is the largest manufacturer of housewares in Canada.

Every year, since 1922, Anaconda has supplied General Steel Wares Limited with hundreds of thousands of pounds of durable copper, brass and Everdur* metal which are, in turn, fabricated into high quality products. Here, as in many other large and small industries from coast to coast, extensive use is made of Anaconda Copper and Copper Alloys. That is because their unique combination of characteristics—malleability, tensile strength, and corrosion resistance—does a host of jobs better than any other commercial metals. Anaconda American Brass Limited, Main Office and Plant: New Toronto, Ontario. Montreal Office: 939 Dominion Square Building. Since 1922 Headquarters in Canada for Copper and Brass.

*Trade Mark Reg'd.

ANACONDA Copper and Brass

For copper and its alloys... consult ANACONDA

DIVIDEND NOTICES

THE BANK OF NOVA SCOTIA

DIVIDEND NO. 325

Notice is hereby given that a Dividend of thirty-five cents per share on the paid-up Capital Stock of this Bank has been declared for the current quarter to shareholders of record of 30th December, 1950, and that the same will be payable on and after Thursday, the first day of February next, at any of the offices of the Bank in Canada.

By Order of the Board.
C. SYDNEY FROST,
General Manager.
Halifax, N.S., 5th December, 1950.

Anglo-Huronian Limited

DIVIDEND NO. 27

NOTICE IS HEREBY GIVEN that a dividend of Twenty-Five Cents (25c) per share, in Canadian Funds, on the issued capital stock of the Company has been declared payable January 25th, 1951, to shareholders of record at the close of business January 3rd, 1951.

J. INGRAM,
Secretary-Treasurer.
Toronto, November 30th, 1950.

ANGLO-CANADIAN TELEPHONE COMPANY

Class A Dividend

NOTICE is hereby given that an additional dividend of One percent (1%) has been declared on the Class A Stock of the Company, payable December 27, 1950, to Stockholders of record at the close of business on December 8, 1950.

By Order of the Board,
CAMERON HOUGH, F.C.I.S.
Secretary.
Montreal, December 4, 1950.

BRITISH COLUMBIA POWER CORPORATION, LIMITED

DIVIDEND No. 90

NOTICE is hereby given that a dividend of Forty cents (40c) per Share on Class "A" Shares has been declared for the three months ending December 31st, 1950, payable by cheque dated January 15th, 1951, to shareholders of record as at the close of business on December 29th, 1950. Such cheques will be mailed on January 15th, 1951, by the Montreal Trust Company from Vancouver.

By Order of the Board,
J. A. BRICE
Secretary
Vancouver, B.C.
November 30th, 1950.

CANADA DRY

DIVIDEND NOTICE

Preferred Stock

A regular quarterly dividend of $1.0625 per share on the $4.25 Cumulative Preferred Stock was declared, payable January 1, 1951 to stockholders of record at the close of business on December 8, 1950.

Common Stock

A quarterly dividend of $0.20 per share on the Common Stock was declared, payable December 20, 1950 to stockholders of record at the close of business on December 8, 1950.

Transfer books will not be closed. Checks will be mailed.

WM. J. WILLIAMS,
Vice-Pres. & Secy.

DOMINION COAL COMPANY, LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of 37 cents per share on the outstanding 6% Cumulative Sinking Fund Preferred Stock of this Company has been declared payable on January 12, 1951, to shareholders of record at the close of business on December 22, 1950, such dividend being for the quarterly period ending December 31, 1950.

By Order of the Board,
G. C. BROADBENT,
Secretary and Treasurer.
Montreal, P.Q.,
December 6, 1950.

DIVIDEND NOTICE

HIRAM WALKER-GOODERHAM & WORTS LIMITED

Dividend No. 138

A dividend of 75 cents a share has been declared on the outstanding no par value Common Stock of this Company payable Monday, January 15, 1951, to shareholders of record at the close of business on Friday, December 22nd.

By Order of the Board,
A. H. STUART,
Secretary.
Walkerville, Canada,
October 12, 1950.

FEDERAL GRAIN, LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of $6.52 per share on the 6½% Cumulative Redeemable Preference Shares of the Company has been declared, payable December 29, 1950, to shareholders of record at the close of business on December 14, 1950.

The transfer books of the Company relating to the said Preference Shares will be closed from the close of business December 14, 1950, until the close of business on December 27, 1950.

By Order of the Board,
A. R. STRACHAN,
Secretary.
Winnipeg, Manitoba,
December 5, 1950.

ARGUS CORPORATION LIMITED

DIVIDEND NOTICE—PREFERRED AND COMMON STOCK

Notice is hereby given that a dividend of one dollar and twelve and one-half cents ($1.12½) per share on the outstanding 4½% Cumulative Convertible Redeemable Preference Shares in the capital stock of the Company has been declared payable on the first day of March, 1951, to shareholders of record at the close of business on the thirty-first day of January, 1951.

Notice is hereby given that a quarterly dividend of fifteen cents (15 cents) per share on the outstanding common stock of the Company has been declared payable on the first day of March, 1951, to shareholders of record at the close of business on the thirty-first day of January, 1951.

By Order of the Board,
H. H. EDMISON,
Secretary.
Toronto, Ontario,
December 5, 1950.

DIVIDEND NOTICES

DOMINION CORSET CO. LTD.

Notice is hereby given that a dividend of twenty cents (20c) per Share has been declared for the quarter ending December 31st, 1950, on the outstanding Common Stock of this Company, payable January 2nd, 1951, to Shareholders of record December 11, 1950.

By Order of the Board.
MAURICE GODBOUT, C.A.,
Secretary-Treasurer.
Quebec, P.Q.
November 29, 1950.

GENERAL PETROLEUMS OF CANADA LIMITED

NOTICE TO SHAREHOLDERS OF ANNUAL MEETING

TAKE NOTICE that the Ninth Annual General Meeting of the Shareholders of General Petroleums of Canada Limited will be held in the West Room of the Palliser Hotel, Ninth Avenue West, in the City of Calgary, in the Province of Alberta, on Thursday, December 21st, 1950, at 10.30 a.m. o'clock, for the purpose of receiving Report of the Directors, Balance Sheet and Profit and Loss Account for the year ending 30th September, 1950, and the Report of the Auditor thereon, the Election of Directors and Auditor, and the transaction of such other business as may properly come before the meeting.

The Transfer Books of the Company will be closed from December 18th, 1950, to December 22nd, 1950, inclusive.

Dated at Calgary, Alberta, this 7th day of December, A.D. 1950.

By Order of the Board,
H. E. HOWARD,
Secretary.

THE SHERWIN-WILLIAMS COMPANY OF CANADA, LIMITED

Notice is hereby given that the one hundred and fifty-eighth quarterly dividend of one and three-quarters per cent (1¾%), being at the rate of seven per cent (7%) per annum, for the quarter ending November 30, 1950, on the Preferred Stock of the Company, has been declared payable January 2, 1951, to shareholders of record December 8, 1950.

By Order of the Board.
P. W. HOLLINGWORTH,
Secretary-Treasurer.
Montreal, Que.,
November 9, 1950.

CANADIAN WESTERN LUMBER COMPANY, LIMITED

DIVIDEND NOTICE

Notice is hereby given that four Dividends of Ten Cents (10c) each per Share have been declared on the outstanding Shares in the Capital Stock of Canadian Western Lumber Company, Limited, payable in Canadian funds and payable respectively on 15th January, 16th April, 16th July and 15th October, 1951, to Shareholders of record four weeks before the respective dividend payment dates.

By Order of the Board.
W. A. WALKER,
Secretary.
Vancouver, B.C., December 6, 1950.

ZELLER'S LIMITED

DIVIDEND NOTICE

Notice is hereby given that the following Dividends have been declared by the Directors of Zeller's Limited for the quarter ending January 31st, 1951.

On the 6% Preferred Shares, the regular one and one-half (1½) per cent (37½ cents) payable February 1st, 1951, to Shareholders of Record January 2nd, 1951.

On the 5% Preferred Shares the regular one and one-quarter (1¼) per cent (31¼ cents) payable February 1st, 1951, to Shareholders of Record January 2nd, 1951.

On the No Par Common Shares 12½ cents per Share, payable February 1st, 1951, to Shareholders of Record January 2nd, 1951.

Also, on the No Par Common Shares, Bonus of ten cents (10c) per share, payable February 1st, 1951, to Shareholders of Record January 2nd, 1951.

By Order of the Board.
T. E. McDERMOTT,
Treasurer.

SUN LIFE ASSURANCE COMPANY OF CANADA

Head Office: Montreal

— STOCK TRANSFER DEPARTMENT —

Notice is hereby given that a dividend of five dollars ($5.00) per share on the Capital Stock of the Company has been declared for the quarter ending December 31st, 1950, and will be paid on January 1st, 1951, to shareholders of record at the close of business December 16th, 1950; the Stock Transfer books of the Company will be closed from December 17th to December 31st, both dates inclusive, for preparation of the above dividend.

Notice is also hereby given that an extra dividend of ten dollars ($10.00) per share on the Capital Stock of the Company has been declared, and will be paid on February 15th, 1951, to shareholders of record at the close of business January 30th, 1951; the Stock Transfer books of the Company will be closed from January 31st, 1951, to February 14th, 1951, both dates inclusive, for preparation of such dividend.

By Order of the Board,
F. J. CUNNINGHAM,
Secretary.

MERSEY PAPER COMPANY, LIMITED

Notice is hereby given that a distribution will be made out of tax paid undistributed income of fully paid 4½% Cumulative Redeemable Preference Shares of the par value of $100 each in the capital of the Company to Common shareholders of record as at the close of business on December 16th, 1950, on the basis of three (3) such Preference Shares for each ten (10) Common Shares held.

Notice is also given that the registers of Common shareholders will be closed from the close of business on December 16th, 1950, to the commencement of business on December 30th, 1950.

By Order of the Board,
J. A. PARKER,
Secretary.
Liverpool, N.S., December 7th, 1950.

DIVIDEND NOTICES

The Toronto Mortgage Company

QUARTERLY DIVIDEND

Notice is hereby given that a dividend of $1.25 per share, together with an extra dividend of .25c per share, upon the paid-up Capital Stock of this Company, has been declared for the Current Quarter, and that the same will be payable on 2nd January, 1951, to shareholders of record on the books of the Company at the close of business on 15th December, 1950.

By Order of the Board.
CHARLES PETTIT,
December 7th, 1950. Manager.

The B. Greening Wire Company Limited

COMMON DIVIDEND NO. 53

NOTICE IS HEREBY GIVEN that at a meeting of the Directors of The B. Greening Wire Company Limited, held in the office of the Company on November 27th, 1950, a dividend of Five cents per share on the Common Shares of the Company was declared payable January 2nd, 1951, to shareholders of record December 15th, 1950.

F. J. MAW,
Secretary.
Hamilton, Ont.,
December 6th, 1950.

DOMINION SQUARE CORPORATION

Notice is hereby given that a quarterly dividend of one dollar ($1.00) a share has been declared on the capital stock of the corporation payable 15th January, 1951, to shareholders of record at the close of business on the 15th December, 1950.

By Order of the Board,
J. S. McFARLAND,
Secretary.

Monarch Mortgage and Investments Limited

DIVIDEND NOTICE

NOTICE is hereby given that a Dividend of One Dollar ($1.00) per share has been declared on the Common Shares of the Company, payable December 28th, 1950, to shareholders of record Friday, December 15th, 1950.

By Order of the Board.
NORMAN W. LONG,
Vice-President.
Toronto, December 7th, 1950.

CANADA IRON FOUNDRIES LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of 30c per share on the Common Shares of this Company has been declared for the quarter ending December 30th, 1950, payable January 15th, 1951, to Shareholders of record December 30th, 1950.

By Order of the Board.
M. S. GROGAN,
Vice-President &
Secretary-Treasurer.
Montreal,
December 8th, 1950.

HIGHLAND-BELL LIMITED

DIVIDEND NO. 38

NOTICE is hereby given that a dividend of five cents (5c) per share has been declared by the Directors of the Company, payable in Canadian funds, on January 5, 1951, to all shareholders of record at the close of business on December 15, 1950.

(Signed) A. T. CARLSON,
Secretary-Treasurer.
Vancouver, B.C.,
November 17, 1950.

DOMINION STEEL AND COAL CORPORATION LIMITED

DIVIDEND NOTICE

Notice is hereby given that a regular quarterly dividend of 38 cents per share for the quarterly period ending December 31, 1950, together with an extra dividend of 37 cents per share, on the outstanding Common Class "B" shares of the Capital Stock of the Corporation has been declared payable on January 12, 1951, to shareholders of record at the close of business on December 22, 1950.

By Order of the Board,
G. C. BROADBENT,
Secretary and Treasurer.
Montreal, P.Q.,
December 6, 1950.

Canadian Bronze Company, Limited

DIVIDEND NOTICE

The Quarterly Dividend of 1¼% on the PREFERENCE STOCK of CANADIAN BRONZE COMPANY, LIMITED, has been declared payable the 1st day of February, 1951, to Stockholders of record as of the 10th day of January, 1951.

Also a Quarterly Dividend of Thirty-two (32c) Cents per Share, together with a Special year-end Dividend of Fifty (50c) Cents per Share, has been declared on the present outstanding COMMON STOCK of CANADIAN BRONZE COMPANY, LIMITED, for the three months ending January 31st, 1951. Payable the 1st day of February, 1951, to Stockholders of record as of the 10th day of January, 1951.

By Order of the Board,
W. C. PAQUETTE,
Secretary.
Montreal, P.Q.,
December 6th, 1950.

THE CONSOLIDATED MINING & SMELTING COMPANY OF CANADA, LIMITED

DIVIDEND NO. 91

NOTICE IS HEREBY GIVEN that a Dividend of $1.50 per share, with an extra distribution of $4.00 per share, on the paid up Capital Stock of the Company, has this day been declared for the six months ending 31st December, 1950, payable on the 15th day of January, 1951, to shareholders of record at the close of business on the 18th day of December, 1950.

By Order of the Board.
L. O. REID,
Secretary.
Montreal, P.Q.,
December 8th, 1950.

Farm Union Ignores Call To Purge Red Elements

From Our Own Correspondent

CALGARY — Call for an all out effort to clean house of left-wing and red-tinged members of the Farmers' Union of Alberta went unanswered at last week's convention of the powerful 17,000 member group.

After six days of debate and internal turmoil the convention:

1. Elected Henry Young, former member of the CCF executive, as president in place of Carl Stimpfle who mothered the group since its inception.

2. Remained silent on the request for expulsion of two members of the Board of Directors, F. E. Maricle (The Financial Post, Dec. 9) and Ray Garneau.

3. Defeated a Communist-inspired resolution which called for a march on Ottawa to put the farmers' position before the Federal Cabinet.

4. Empowered the Board of Directors to expel any member for actions which it might deem to be against the union's principles. (Aimed primarily at leftists).

5. Voted down a no-confidence motion by a small veterans group which felt that President Young had not taken a firm enough stand in the move to oust reds.

Many delegates felt that much had been left undone when the convention doors closed. Some even felt that the F.U.A. was losing ground and that dissatisfaction which has been creeping into the movement will be intensified. Complete disintegration was seen as a possibility by one member of the veterans group.

Stimpfle made a full-time job of directing the union. The new president is not expected to give it as much time. This could quite easily lead to the eventual breakup of the organization for leadership right now is all important.

FRANK A. RIDDELL

has been appointed president, Weston Bakeries Ltd., in Canada.

Reserve Ruling Nfld. Rail Rates

MONTREAL (Staff) — Board of Transport Commissioners has reserved decision on the Newfoundland Government's application for a revised freight rate scale based on charges in effect in the Maritimes.

Newfoundland claims she is not getting treatment in freight rates to which she is entitled under the terms of Confederation. Her counsel, P. J. Lewis, stated that Newfoundland is entitled to rates prevalent in the Maritimes but that these were not granted in many important cases. He cited flour as perhaps the most important example, continuing that rates on pulpwood constituted an unjust discrimination and that another major commodity on which rates were too high was fresh and frozen fish shipped from the province.

Counsel for Canadian National Railways said that rates on goods moving into, within, and out of, Newfoundland, were in accord with the terms of the union, the federal railway act and other statutes, continuing that the C.N.R. felt that the rate structure was a just and reasonable one and completely in accord with all applicable legislation.

DIVIDEND NOTICES

Biltmore HATS LIMITED

NOTICE OF DIVIDENDS

Notice is hereby given that the following dividends have been declared for the quarter ending the 30th day of December, 1950.

CLASS "A" DIVIDEND NO. 19

A dividend of 25c (twenty-five cents) per Class "A" share, payable on the 15th day of January, 1951, to shareholders of record on the 30th day of December, 1950.

COMMON DIVIDEND NO. 56

A dividend of 10c (ten cents) per Common share and a SPECIAL DIVIDEND of 10c (ten cents) per Common share payable on the 15th day of January, 1951, to shareholders of record on the 30th day of December, 1950.

By Order of the Board.
(Signed) WM. F. FRANKE,
Secretary-Treasurer.
Guelph, Ont.,
December 6th, 1950.

MOUNT ROYAL METAL COMPANY LIMITED

DIVIDEND NOTICE

Notice is hereby given that the regular quarterly dividend of Fifteen cents (15c) per share has been declared on the Common Shares of the Company for the quarter ending December 31st, 1950, payable January 2nd, 1951, to shareholders of record at the close of business December 15th, 1950.

By Order of the Board,
ROBERT J. OVERALL,
Secretary-Treasurer.
Montreal, December 11, 1950.

BRANTFORD ROOFING COMPANY, LIMITED

DIVIDEND NOTICE

Notice is hereby given that the following Dividends have been declared on the outstanding Stock of the Company:

Class A Shares: twenty-five cents (25c) per share payable February 1st, 1951, to Shareholders of record January 15th, 1951; twenty-five cents (25c) per share, payable May 1st, 1951, to Shareholders of record April 14th, 1951; twenty-five cents (25c) per share payable August 1st, 1951, to Shareholders of record July 14th, 1951; twenty-five cents (25c) per share, payable November 1st, 1951, to Shareholders of record October 15th, 1951.

Class B Shares: ten cents (10c) per share, payable February 1st, 1951, to Shareholders of record January 15th, 1951.

By Order of the Board.
R. D. PAUL,
Secretary.
Brantford, Ontario.
December 8th, 1950.

DISTILLERS CORPORATION-SEAGRAMS LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of Thirty Cents (30¢) per share in Canadian currency and an extra dividend of Fifty Cents (50¢) per share in Canadian currency on the outstanding Common Shares of the Company have been declared payable December 15, 1950, to shareholders of record at close of business December 8, 1950.

By Order of the Board.
A. M. HENDERSON,
Secretary-Treasurer.
Montreal,
November 29, 1950.

Mailman Corporation Limited

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a dividend of twenty-five cents (25c) per share has been declared on the outstanding Common Shares of the Corporation, for the quarter ending October 31st, 1950, payable January 2nd, 1951, to Shareholders of record at the close of business on December 18th, 1950.

NOTICE IS HEREBY ALSO GIVEN that a dividend of One Dollar and twenty-five cents ($1.25) per share has been declared on the outstanding Preferred Shares of the Corporation for the quarter ending January 31st, 1951, payable January 31st, 1951, to Shareholders of record at the close of business on January 12th, 1951.

By Order of the Board,
WM. F. MACKLAIER,
Secretary.
Montreal, December 6th, 1950.

NOTICES

THE BANK OF TORONTO

ANNUAL GENERAL MEETING

The Annual General Meeting of the shareholders will be held at the Head Office of the Bank, King and Bay Streets, Toronto, on Wednesday, the Seventeenth day of January, 1951, the chair to be taken at noon.

By Order of the Board,
L. G. GILLETT,
General Manager.
Toronto, November 28, 1950.

Stock Redemptions

Company:	Rate	Date	Price
▲Fraser Cos. pfd. .	4½%	Jan. 22	†$102.00

▲15,000 shs.
†Plus a pay. of 29c per sh. for accrued divds. to redemption date.

How Bright Is Cement Outlook For Next Year?

What's the outlook for cement supply? A difference of opinion was apparent as Canada's largest producer announced this week that cement was now freely available for spot delivery and that this reflected a trend which promised to lick shortages in the peak construction season next year.

Canada Cement Co. announced its dealers could now fill orders promptly in all parts of Canada.

Main reason is the coming of winter, when the volume of concrete poured always dips. Another factor, it's said, is the strike at Dominion Steel & Coal Corp.'s plant where reinforcing steel is made which has held up several big cement-using jobs.

"Adequate" Supply

The company's statement, however, said its new expansion program, when finished, will, with other additions, have increased its cement production by 60% since 1946. "It is confidently expected that this increased output will result in an adequate supply of cement for all construction purposes."

The company's president, J. M. Breen, told The Post, "The shortage was just a temporary thing . . . We don't know yet what part restrictions will play in the picture next year but if the international situation continues to get worse, there may have to be some reduction in housing and other construction where large quantities of cement are being used."

"At any rate, we feel that with the new plants we now have under construction, we'll be able to meet Canadian demand adequately," he said.

Mr. Breen felt that next year was likely to be more normal than this year.

Foresee Shortages

Leaving possible war cutbacks aside, construction men took exception to this optimistic view. They felt shortages would be repeated next year. Some, however, felt current construction of plants might solve the problem in the longer run.

"It all depends on what happens next year," was a typical comment. "But I'm willing to bet there will be the same bottleneck next August that we had to go through this year."

Said another, "Canadian cement production has been running behind demand about 4 million bbls. all year. Even with 1.8 million extra barrels from Canada Cement and 100,000 tons from the new plant being built in Newfoundland, we're still likely to be behind. And the extra capacity won't become available until mid-1951 at the earliest and most of it probably considerably later."

Premier Duplessis may go through with his large highway program next year, and this would boost cement demand, was one Quebec argument.

"Underestimated"

Most contractors admitted it would be too much to ask that Canadian cement capacity be pushed to where it could cope with any peak demand, no matter how high. Imports could take up that slack when necessary. However, they claimed, Canadian makers had been consistently underestimating potential demand since 1945.

The Post was told cement was still hard to get in some local areas.

Canada Cement is building a new 800,000 bbl. a year plant in New Brunswick and a one million bbl. addition at Exshaw, Alta.

St. Mary's Cement Co. announced that frequency conversion of electricity in Western Ontario would retard its four-year expansion and modernization program. The company plans to open a third kiln at its St. Mary's, Ont., Plant, early in 1952. This would bring its total capacity there to 2.1 million bbls. year. Original capacity was 660,000 bbls. and 720,000 bbls. kiln came into production in spring of 1949.

OIL PRODUCTION

Socony-Vacuum Shortly To Select Flint Ground

From Our Own Correspondent

CALGARY — Within the next week or so, Socony-Vacuum Exploration Co. is scheduled to make its selection of lands for conversion to lease in the Flint discovery area.

The company has a reservation on 21,598 acres in this area, and under Alberta Government regulations 50% of this acreage must be surrendered. Socony has done a fair amount of drilling in this area which no doubt has been of material assistance in the always difficult business of making the best selection possible.

When the selection has been made, the Alberta Government will find itself in possession of acreage which can be put on the auction block for would-be developers.

Location has been selected by Socony-Vacuum for a fifth well in the area, an offset to the company's dual zone Devonian discovery. It will be drilled a quarter mile north of the original well, and 1¾ miles south of Duhamel No. 29-14 driller.

• • •

Royalite Locates Well

A location for its first wholly-owned exploratory venture in Saskatchewan has been staked by Royalite Oil Co. The new venture is 70 miles east of the Alberta border, 72 miles southwest of Saskatoon.

The site is located on a Royalite Saskatchewan Government permit which covers approximately 233,000 acres. In addition, Royalite holds another 490,000 acres of crown and freehold lands in Saskatchewan.

The new exploratory venture is Royalite-Ruthilda No. 1, 3½ miles east of Ruthilda railway point, 60 miles south of North Battleford.

Rig from the Royalite-Albercan-Denzil No. 1 abandonment will be used for the new driller. Probable completion depth of the test is around 4,500 ft.

• • •

104 Completions

Drilling crews in Alberta completed 104 wells in Alberta in November. Of these 70 were successful oil wells, one was a gas well and 33 dry holes.

This brought the total of completions for the first 11 months of the year to 907 including 673 oil wells, 37 gas wells, and 197 dry holes.

November's total of 104 completions compares with 87 for October and 90 for September.

Thirty of the wells were completed at Redwater last month.

Leduc-Woodbend had 22 successful wells, two dry holes.

The Alberta side of the Lloydminster field accounted for 15 completions of which 11 were successes.

Municipal Bonds

Dec. 12, 1950

	Coup. %	Matur.	Bid $	Ask $	Yld. %
Victoria ...	3¾	'68	99	101	3.67
Vancouver .	3¾	'69	99½	101½	3.60
Calgary ...	3½	'69	99	101	3.38
Edmonton .	3½	'69	99	101	3.38
Regina	3	'64	94	96	3.40
Moose Jaw	3-3½	'60	95	98	3.40
Winnipeg .	3	'69	97	99	3.04
Ottawa	3¼	'68	103	105	2.89
Toronto ...	3	'68	99	101	2.92
Hamilton ...	3	'67	98½	100½	2.96
Windsor ...	2½	'75	72	75	4.05
Windsor ...	2¾	'75	76	79	4.05
Windsor ...	3½	'75	88	91	4.05
Montreal ...	3	'70	94	96½	3.23
Quebec	3½	'64	100	102	3.34
Halifax	3	'66	95	97½	3.20
Saint John .	3½	'65	98½	101	3.42

Grain Prices

Chicago Futures

Week to Dec. 11, 1950

Crop year from Aug. 1, 1950 High	Low		High for week	Low for week	Close Dec. 11
Wheat—					
2.35	2.18¼	Dec. ...	2.35	2.26¼	2.34¾
2.41	2.22¼	Mar. ...	2.41	2.28	2.40½
2.38¼	2.23	May ...	2.38¼	2.30¼	2.38⅜
2.32¼	2.10⅜	July ...	2.32¼	2.25¼	2.32
Corn—					
1.68⅜	1.40⅜	Dec. ...	1.68⅜	1.62¼	1.67¼
1.69½	1.43⅜	Mar. ...	1.69	1.64¼	1.68¼
1.69¼	1.45	May ...	1.69¼	1.65	1.69¼
1.70	1.49	July ...	1.68⅜	1.64¼	1.68⅜
Oats—					
.98	.76¼	Dec. ...	.98	.94¼	.96¼
.97⅜	.76¼	Mar. ...	.97⅜	.95⅜	.96¼
.93⅜	.74¼	May ...	.93⅜	.89¼	.93¼
.88¼	.73¼	July ...	.87⅜	.84	.87¼
Rye—					
1.57	1.38¼	Dec. ...	1.50⅜	1.45⅜	1.50¼
1.65	1.44	May ...	1.58⅜	1.54	1.58¼
1.67	1.49	July ...	1.60¼	1.56¼	1.60¼
Soybeans—					
Jan.		....	2.99¼	2.91	2.96¼
Mar.		....	2.99⅜	2.93	2.97¼
May		....	2.99¼	2.91¼	2.97¼
July		....	2.98¼	2.91¼	2.93⅜

Chicago Cash

	For Week Dec. 11 High	Low	Prev. Week High	Low
Corn—				
2 Yel.	1.72	1.70¼	1.64⅜	1.63
Oats—				
1 H. Wh.	1.00	.97¼	.98¼	.94⅜

Winnipeg Futures

Week to Dec. 11, 1950

Crop year from Aug. 1, 1950 High	Low		High for week	Low for week	Close Dec. 11
Oats—					
.95⅜	.74¼	Dec. ...	.95⅜	.90	.94¼
.92	.75⅜	May ...	.92	.86⅜	.90⅜
.85¼	.77¼	July ...	.83¼	.80⅜	.83¼
Barley—					
1.43	1.07½	Dec. ...	1.36¼	1.32⅜	1.34¼
1.30¼	1.07	May ...	1.29⅜	1.25¼	1.29¼
1.24¼	1.16	July ...	1.22¼	1.18⅜	1.22
Rye—					
1.64⅜	1.36	Dec. ...	1.56⅜	1.54	1.56¼
1.67½	1.40	May ...	1.63⅜	1.58⅜	1.62¼
1.65	1.50⅜	July ...	1.61¼	1.58¼	1.61
Flax—					
4.03⅜	3.44	Dec. ...	4.03⅜	3.81	4.03¼
4.07¼	3.49¼	May ...	4.07¼	3.83	4.04⅜
4.02	3.68	July ...	4.02	3.79	3.99⅜

Winnipeg Cash

	For Week Dec. 11 High	Low	Prev. Week High	Low
Oats—				
2 C. W.	.97¼	.95¼	.95⅜	.92¼
3 C. W.	.94¼	.93¼	.92⅜	.89⅜
Barley—				
1 Feed	1.33	1.28⅜	1.39⅜	1.29
2 Feed	1.30	1.26⅜	1.33¼	1.26¼
1 Malt	1.43¼	1.39⅜	1.42⅜	1.39¼
Rye—				
2 C. W.	1.56¼	1.54	1.54⅜	1.50⅜
Flax—				
1 C. W.	4.03⅜	3.83¼	3.86¼	3.73

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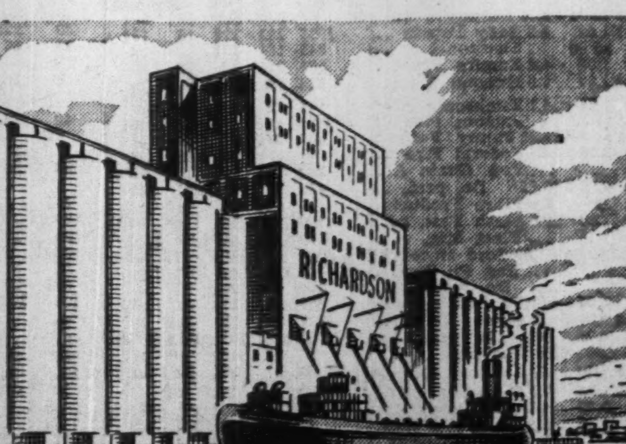

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THE WEEK'S QUOTATIONS

Quotations here listed are the official stock exchange prices for listed stocks including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

Winnipeg, Calgary and Montreal and Toronto Vancouver

WEEK ENDING DECEMBER 8

Range 1950 High	Low	Div. R'te $	Dec. 8 Y'ld %	Company	Sales	Last Dec. 1	Week end. Dec. 8 H	L	Cl'se
45½	21½	3.00	7.4	Abitibi	19998	40¾	41	34	40¾
25½	22	1.50	6.1	Do. $1.50 pf.	10331	24¾	24¾	24¾	24¾
25½	21	1.00+†.70		Acadia Atlan A	490	23	23	22½	22½
105½	100½	5.00	4.8	Do. 5% pref.	10	104	103½	103½	103½
13	6	†.25	..	Acme Glove	450	9	9	8¾	9
11	8½	.60	6.5	Agnew Surp.	300	9½	9½	9½	9½

Range 1950 High	Low	Div. R'te $	Dec. 8 Y'ld %	Company	Sales	Last Dec. 1	Week end. Dec. 8 H	L	Cl'se
10	8½	**.25	..	Hahn Brass, n.	200	8½	10	8½	10
15¾	10	.50+†.25		Ham. Bridge	540	11½	12	11¾	12
15¾	10	.50+†.25		Ham. Cot.	50	...	15¾	15½	15¾
11	8½	.80+■.10		Harding Carpet	335	10	9½	9¾	9½
41	27	†1.00		Hayes Steel	125	32½	32½	31½	32
24½	16½	†.05+†.35		Hinde & Dau.	295	23	23	22	22
10½	7¾	.50§	..	Horner F. W. A	50	10½	9½	9½	9½

Mining Stocks

Week Ended December 8

Range 1950 High	Low	Div. Rate $	Dec. 8 Yield %	Company	Sales	Last Dec. 1	Week Ending Dec. 8 High	Low	Close
1.02	.25	....	....	Acadia U.	208,975	.84	.85	.80	.81½
1.72	.72	....	....	Akaitcho	19,900	1.06	1.08	1.00	1.00
.49	.15	....	....	Amal. Lard.	2,000	.18	.19	.17	.18

Oil Stocks

Range 1950 High	Low	Div. Rate $	Dec. 8 Yield %	Company	Sales	Last Dec. 1	Week Ending Dec. 8 High	Low	Close
.62	.15	.....	....	Spooner	7,100	.35	.41	.36	.36½
.46	.15	.....	....	Sunset	15,150	.35	.37	.35	.35
1.20	.40	.....	....	Superior	14,225	.72	.75	.62	.67
.80	.24	.....	....	Tower Pet.	20,250	.34	.35	.30	.30
.28	.10	.....	....	Turner V.	1,500	.20	.25	.25	.25
.66	.18	.....	....	United Oils	13,625	.40	.40	.35	.37
.55	.20½	.....	....	Vanalta	1,500	.33	.26	.26	.26
.48	.20	.....	....	Vulcan	6,715	.25	.26	.24	.24
.27½	.02	.....	....	Warner	87,400	.21	.22	.19	.22
.33	.17	.....	....	W. Homest'd	23,778	.20	.25	.18	.24
.30	.07	.....	....	York Oils	5,000	.20	.21½	.20	.20
1.25	.78	.....	....	Zodiac	4,800	.90	.90	.85	.86

* N. Y. Funds. z Extra. ▼ Paid 1949. § 1 sh. of Montauban Mines for every 10 shs. held. † Paid in 1950. ■ Initial.
** Paid or payable in 1951.

Volume of Stock Sales

	Montreal	Toronto	Calgary	Vancouver	New York
Dec. 11 ...	276,700	1,248,000	187,135	96,351	3,010,000
Dec. 9 ...	111,200	504,000	76,700	51,474	1,390,000
Dec. 8 ...	225,500	1,259,000	89,345	72,895	2,640,000
Dec. 7 ...	361,900	1,717,000	211,625	119,705	2,170,000
Dec. 6 ...	494,600	1,436,000	149,400	84,160	2,420,000
Dec. 5 ...	341,700	1,167,000	159,616	107,310	2,280,000

STOCKS NOT TRADED THIS WEEK

	Div. Rate $	Last sale	Dec. 8 Bid	Ask
Can. Fire	.80	21¾	21½	..
Can. G. Ses. A	†2.00	50	65	..
Do. B	†3.00	20	65	..
Can. Ice Mach.	..	5.00	4.00	4.65
Do. A	.80	9	9	10
Can. Ingersoll-R.	4.00	70	66	73
Can. Int. I. Tr. pf.	†5.00	95	92	..
Can. Oil 4% pref.	4.00	84½	85	86
C. Pr. & Pa. In. pf.	..	22	18	20
Can. Silk	1.50	34¾	..	..

BUSINESS BAROMETERS

	NOV.	OCT.	SEPT	AUG.	Year Ago
GOVERNMENT FINANCE (millions of $)					
Dom. total revenue	....	253.6	214.5	205.3	201.7
Dom. total expend.	....	186.6	211.0	165.5	176.8
MERCHANDISING					
Dept. store sales (3)	....	+1	+7	+2	....
Country store sales (3)	....	....	+3	+2	....
Retail store sales (3)	....	....	+9	+13	....
FINANCE					
■Divd. pay. index (1) (5)	214.4	213.0	213.6	213.8	215.4
■Money supply (millions $)	....	....	4,919	4,678	4,369
NEWSPRINT CAPACITY					
Production ratio (7)	....	103.1	103.2	101.5	100.9
RAILWAY FREIGHT LOADINGS					
Tons (D.B.S.) (1)	....	169.9	165.0	168.5	154.2
Cars (D.B.S.) (1)	....	146.0	144.7	124.0	140.3
COST OF LIVING					
■D.B.S. (1)	170.7	170.7	169.8	168.5	161.7
EMPLOYMENT INDEX					
All industries (6)	....	209.4	206.3	204.4	202.2
Payrolls (June 1/41=100) (2)	....	....	231.4	234.7	221.4
MANUFACTURING					
Inventories (1947=100)	....	....	133.6	133.8	126.6
Employment (6)	....	215.5	212.4	209.4	208.6

	1950	1949	1950 Jan. 1 to date	1949	% Change
RAILWAYS (000's omitted)					
■Carloadings (week Dec. 2)	81.4	77.7	3,619	3,645	—1.0
C.N.R. gross rev. (Oct.)	54,191	45,349	450,752	410,893	+9.7
C.N.R. net rev. (Oct.)	10,438	5,064	45,255	11,452	+207.8
C.P.R. gross rev. (Sept.)	36,712	32,354	272,913	267,716	+1.9
C.P.R. net rev. (Sept.)	4,926	2,216	20,611	8,503	+142.4
IRON AND STEEL PRODUCTION (000's omitted)					
Pig iron (tons) (Sept.)	199	168	1,697	1,659	+2.3
■Steel (tons) (Oct.)	286	253	2,737	2,578	+6
CONSTRUCTION (000,000's omitted)					
■Contracts awarded (Nov.) ($)	161	117	1,423	1,019	+39.6
■Cement prod. bbls. (Sept.)	1.6	1.6	12.9	12.3	+4.9
AGRICULTURE (000's omitted)					
Flour exp., bbls. (Oct.)	758	744	8,163	8,123	+.5
Wheat exp., bush. (Oct.)	16,303	18,556	131,222	169,178	—29
■Cattle sales (Nov.) (4)	190	209	1,554	1,666	—7.2
Hog sales (Oct.)	390	424	3,836	3,290	+16.6
SEA FISHERIES (000,000's omitted)					
Catch, lb. (Oct.)	75	124	1,060	994	+6.6
Landed value (Oct.) ($)	6.3	4.1	58.1	47.4	+33.8
NEWSPRINT (000,000's omitted)					
Production (Oct.)	456	476	4,391	4,325	+1.5
Exports, tons (Oct.)	411	369	3,922	3,605	+8.8
MINING AND OILS (000's omitted)					
Coal prod. (tons) (Oct.)	1,753	1,930	15,051	15,213	—1.7
Gold prod. (fine oz.) (Sept.)	365	365	3,310	3,021	+9
Petroleum prod. (bbl.) (Sept.)	2,725	2,167	20,297	15,709	+29
ELECTRICAL POWER OUTPUT (000,000 omitted) (Oct.)					
■Total monthly kw.h.	4,385	3,975	41,686	38,719	+8
FOREIGN TRADE (millions of $)					
Imports (Oct.)	324	234	2,584	2,296	+12.5
Exports (Oct.)	315	269	2,499	2,374	+5.5
FINANCE (millions of $)					
■Bank debits (Oct.) (8)	9,391	8,328	80,313	70,618	+13.7
■Bond sales (Nov.)	414	259	6,108	4,152	+47.1
Life insurance sales (Oct.)	124	108	1,102	1,026	+7.4
OTHER INDUSTRIAL FACTORS					
Shoe prod. (000) (Sept.)	3,194	3,377	24,906	27,545	—11
■Cigarette cons. (000,000) (Oct.)	1,489	1,448	14,539	13,876	+4.8

(1) Base period 1935-39=100.
(2) All industries.
(3) % change from year ago, latest week or monthly average.
(4) Total at yards and plants.
(5) Nesbitt, Thomson.
(6) Base period 1926= 100.
(7) Includes Newfoundland.
(8) Includes debits in St. John's, Nfld., since April, 1949, only.
■New item this week.

Stocks Not Traded This Week (Continued)

	Div. Rate $	Last sale	Dec. 8 Bid	Ask
Can. Wallpaper A	†1.00	13	13	16
C. Wire. Box A	1.50	27	25	26½
Cassidy's	.80+†.60	14	13½	15
Do. pref.	7.00	114	113½	..
Catelli Food B	†.40	18	15½	..
Celanese Corp. of America	..	43½	..	..

	Div. Rate $	Last sale	Dec. 8 Bid	Ask
Rivers Mill. B	■1.00	15	7	18
Roberts'n, P.L. pf.	2.50	44½	61	..
Robinson Cot.	.40+†.10	10½	9	10
Rolland Pap. pf.	4.25	80	81	..
Royal Oak Dairy A	.60	10½	10½	..
St. Law. Flour pf.	7.00	125	120	..
Sangamo	.70	15	13½	16

	Div. Rate $	Last sale	Bid	Ask
Vinray	...	.03	.02½	.03
West Mal.	...	.06	.05½	.06
Winchester	...	.08	.08½	.09
Winnipeg R. Tin	...	.01	.01½	..
—OIL STOCKS—				
Foothills	.25	4.00	..	5.25
Lowery	...	.74	..	..
Nordon	...	.05	.07	.12
Petrol Oil	▲.02	.35	.30	.43
Selburn warr.	...	.15	.10	.20
Texas Can.	▲♦1.85	.40	.41	..

▲Paid in 1949. *N. Y. funds. ♦Capital distribution. †Paid or payable in 1950. **Paid or payable in 1951.

Company Meetings

Date	Company	Place
Dec. 15	Br. Empire Oil	Calgary
Dec. 15	East Leduc Oil	Calgary
Dec. 15	Globe Oil	Calgary
Dec. 15	Leduc-West Oil	Calgary
Dec. 15	So Can. Power	Montreal
Dec. 18	Can. Gen. Secs.	Toronto
Dec. 18	Interprovincial Util.	Ottawa
Dec. 19	Cent. Man. M.	Winnipeg
Dec. 19	Nor. Can. Mines	Toronto
Dec. 21	Can. Car & Fdry.	Montreal
Dec. 21	Gen. Pet.	Calgary
Dec 21	Int. Paints	Montreal
Dec. 29	Beatty Bros.	Fergus, Ont.
Jan. 9	Bk. Candn. Nat.	Montreal
Jan. 11	Royal Bank	Montreal
Jan. 17	Kelvinator	London

Government Bonds

Dec. 12, 1950

(Supplied by Investment Dealers' Assoc. of Canada)

%	Due	Bid	Ask
Victory Loans:			
3	Mar. 1954 ...	101¼	101¾
3	Nov. 1956 ...	101¼	101¾
3	May 1957 ...	100¾	101¼
3	Jan. 1959 ...	100¼	100¾
3	June 1960 ...	100¼	100¾
3	Feb. 1962 ...	100¼	100¾
3	Oct. 1963 ...	100¼	100¾
3	Sept. 1966 ...	100¼	100¾
Dom. of Can. Bonds:			
3	June 1958 ...	100⅝	100⅞
3¼	Feb. 1951 ...	100½	101
3¼	June 1966 ...	101¼	102¼
3	Perpetual ..	†99¾	100¼
2¾	June 1968 ...	97½	98½
3¼	Feb. 1952 ser. C	102¼	102¾
Can. Nat. W. Ind. S.S.:			
5	Mar. 1955 ..	▪114½	116½
Grand Trunk Pacific Rly.:			
3	Jan. 1962 ..	▪107¾	109¾
4	Jan. 1962 ..	▪117¾	119¾
Dom. Guaranteed Bonds			
Can. Nat. Railways:			
3	Jan. 1959 ...	100¼	100¾
4½	Feb. 1956 ..	▪114¾	116¾
4½	July 1957 ..	♦117¼	119¼
5	Feb. 1954 ...	106	107
4¾	June 1955 ..	▪114¾	116¾
2¾	Jan. 1967 ...	97	98
2¾	Sept. 1969 ...	98¼	99
3	Jan. 1966 ...	99¾	100¾

%	Due	Bid	Ask
Provincial Govt. Bonds			
Alberta:			
2¾	Dec. 1953/57.	100	101½
British Columbia:			
4½	Jan. 1969 ..	♦128¾	130¾
5	Sept. 1953 ...	106¼	107¾
3	Dec. 1960 ...	98	100
3	June 1964 ...	97¾	99¼
5	Sept. 1959 ..	♦122¾	124¾
B. C. Power Comm.:			
3	Oct. 1967 ...	97¼	98¼
Manitoba:			
4	Dec. 1957 ..	♦112¾	114¾
5	Dec. 1959 ..	▪122¾	124¾
5½	July 1958 ...	115	117
3	Oct. 1965 ...	98¼	100
4½	Dec. 1956 ..	♦115	117
New Brunswick:			
4½	Apr. 1961 ..	♦112¾	114¾
2¾	June 1966 ...	89	91
3¼	May 1957 ...	97¾	99
3½	Sept. 1965 ...	98	99½
Nova Scotia:			
3¼	June 1956 ...	100¼	101¾
4½	Nov. 1960 ..	♦119¼	121¼
5	Mar. 1960 ..	♦122¾	124¾
3	June 1956/58.	99½	101
2¾	Sept. 1966 ...	93	95
3¼	June 1963/65.	99½	100½

%	Due	Bid	Ask
Ontario:			
2¾	Nov. 1965/69.	94½	96
3¼	May 1952/55.	100½	101½
4	June 1962 ..	▪117½	119½
4½	Jan. 1962 ..	♦121¾	123¾
2¾	July 1967/76.	92½	94¼
3	Nov. 1963/65.	98¾	100
5	May 1959 ..	▪122¾	124¾
Ont. Hydro Commission:			
4	Aug. 1957 ..	▪113½	115½
2¾	Oct. 1965/68.	94½	96
3	Dec. 1963/65.	99	100
3	Nov. 1967/69.	98	99
Prince Edward Island:			
3½	Dec. 1961 ...	99½	100½
Quebec:			
3¼	Mar. 1954/59.	101¾	103
3¾	Feb. 1952/55.	100¾	102
4½	Aug. 1958 ...	107	108
4½	Jan. 1963 ...	112½	114½
3	Sept. 1962/64.	98½	100½
Quebec Hydro Commission:			
3	Feb. 1969/73.	98½	99½
3	Dec. 1958/60.	99	100
Saskatchewan:			
4	Nov. 1955/60.	102	104
5	Aug. 1958 ...	108	110
4½	Mar. 1960 ..	♦115½	117½
5½	Oct. 1952 ...	103	104
6	Mar. 1952 ...	103	104
5	Dec. 1959 ..	♦119½	121½
3	Mar. 1963 ...	96	98
3¼	Nov. 1960/62.	97	99
3¾	Oct. 1962/65.	102	104

†Callable on or after Sept. 15, 1966.
▪Payable Can., N. Y. or £.
♦Payable Can. or N.Y.

Unlisted Stocks

(Compiled from quotations by Kippen & Co., Montreal, and Intercity Securities Ltd., Toronto)

Dec. 11, 1950

	Bid	Ask
Allens Toronto units	42.50	....
Anglo-Can. Pulp & Pap. ..	....	21.50
Anglo-Can. Telephone A ..	11.00	11.50
Ashdown Hardware B	15.50	16.00
Beauharnois L. H. & Pr. ..	27.00	27.50
Brand & Millen A	.32	.36
British Mtge. & Trust	195.00	....
B. C. Sugar	95.00	98.00
Brockville Trust & Svgs. ..	64.00	....
Can. Admiral Corp.	8.00	9.50
Can. Motor Lamp	18.50	19.50
Can. Superior Oils	9.25	9.75
Can. West Nat. Gas. Co. ..	70.00	....
Do. pfd.	19.50	20.50
Capital Wire Cloth com. ...	15.00	18.00
Carlton Club	30.00	40.00
Chase, A. W. units	52.50	....
Colonial Steamships com. .	145.00	....
Commercial Finance com. .	23.00	....
Commercial Life 10% pd. .	10.75	....
Continental Life 20% pd. ..	46.00	....
Cooksville A	21.00	23.00
Do. B	11.00	....
Cuban Can. Sugar com. ..	5.00	6.00
Detroit Internat. Bridge ...	14.75	15.75
Dover Industries Ltd.	8.50	9.25
Dunlop Tire pfd.	24.50	25.75
Dupuis Freres pfd.	22.50	24.50
Empire Life 25% pd.	18.00	19.50
Foreign Power Sec. pfd. ..	20.00	23.00
Galt Brass com.	33.00	....
Goderich Elev. & Trans. ..	14.50	15.50
Guar. Co. of N. Amer.	410.00	...
Hart Battery com.	9.50	....
Husky Oil & Ref.	4.50	5.50
Lambton Golf	125.00	140.00
Lambton Loan $50 par	85.00	....
Laprairie com.	7.00	....
Laprairie pfd.	105.00	....
Med. Arts. Bldg. Toronto ..	39.00	42.00
Monarch Life 40% pd.	138.00	143.00
Mountainview Apts. pfd. .	28.50	....
Nat. Drug & Chem. com. n.	8.00	9.00
Do. pfd.	10.00	13.00
National Life 25% pd.	63.00	69.00
N. B. Telephone..........	11.00	12.25
Niag. Lower Arch Bridge .	57.00	61.00
Northern Tel. com.	1.50	1.75
Oakville Golf Club	25.00	35.00
Ont. & Que. Ry. 5% cap stk	140.00	....
Peller Brewing com.	.85	1.15
Do. pfd.	9.00	10.50
Prov. Bank of Canada	16.50	17.25
Prudential Trust	13.50	15.00
Reliance Petroleum pfd. ..	42.00	44.50
Ritchie Cut Stone pfd.	10.50	11.25
Rosedale Golf	1.40	1.50
St Andrews Est. units ...	1.25	1.50
Sawyer Massey com.	.75	....
Seiberling Rubber com. ...	6.25	....
Sincennes McNaught. Tugs	2.00	2.75
Sherbrooke Trust	140.00	....
Sovereign Life 25% pd. ...	59.00	....
Standard Fuel pfd.	37.50	39.50
Do. com.	3.00	4.50
Summit Golf	15.00	....
Sun Life Assce.	1,260.00	1,310.00
Third Can. Gen. Inv.	4.35	....
United Co-op's Ont. pfd. ..	2.00	....
United Farmers Co-op. ...	2.00	....
United Steel A pfd.	23.75	24.75
Victoria Trust & Svgs.	190.00	....
Waterloo Manufac. com. ..	5.50	6.50
Waterloo Trust & Svgs. ...	125.00	129.00
Western Grain pfd.	63.00	....
York Downs Golf Nft.	40.00	....

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 10	Pulp and paper 10	Milling 4	Oils 5	Textiles and clothing 10	Food and allied prod. 15	Beverages 10	Bldg. mater. 16	Power and traction 12	Banks 8	Total utilities 16	Total co's 106
*1935 to date:												
High	247.7	287.9	149.7	132.7	221.9	138.5	447.0	168.5	146.2	136.3	149.0	126.1
Low	69.7	51.6	61.2	41.2	78.4	79.5	79.3	66.7	60.2	60.0	65.2	61.1
1950: Monthly Figures:												
Jan.	231.5	286.1	90.7	82.8	235.0	123.7	351.0	169.1	114.7	143.0	124.3	119.0
Feb.	229.9	291.7	86.1	80.5	236.9	123.2	355.8	169.7	116.5	143.0	125.2	118.3
Mar.	241.5	304.9	83.8	80.3	245.7	119.1	371.7	168.9	121.9	142.9	128.6	118.7
Apr.	250.4	326.2	85.8	93.3	247.4	120.6	394.5	174.8	127.2	144.4	132.2	125.9
May	270.1	352.8	86.5	94.9	263.8	122.3	383.5	177.0	125.4	146.1	131.2	128.7
June	280.1	361.4	85.3	95.8	259.4	123.2	381.6	180.4	127.4	148.9	134.6	130.9
July	277.2	330.4	81.9	89.3	238.8	118.4	354.6	168.1	116.6	145.3	127.4	124.3
Aug.	328.5	374.5	87.5	99.9	263.3	120.7	384.6	186.7	123.8	145.7	133.6	135.7
Sept.	349.8	397.8	89.8	104.4	273.6	120.7	403.1	196.0	128.4	148.4	138.2	141.5
Oct.	358.0	431.1	91.7	106.5	290.7	123.4	428.0	212.5	129.0	153.4	138.6	145.4
1950: Weekly Figures:												
Nov. 2 ..	356.7	430.7	93.6	103.9	293.4	121.2	428.7	211.9	129.8	154.7	137.1	143.9
Nov. 9 ..	351.5	445.3	89.4	104.1	295.8	122.6	429.6	208.7	125.3	153.2	134.9	143.6
Nov. 16 ..	351.2	451.9	92.4	104.2	304.2	126.2	429.9	212.0	126.8	157.0	136.5	145.2
Nov. 23 ..	366.2	467.6	90.7	103.7	315.3	123.9	456.6	218.1	127.7	156.7	141.7	148.9
Nov. 30 ..	349.8	435.3	89.5	97.0	303.2	123.1	408.0	206.0	122.5	152.8	135.2	140.8
Dec. 7 ..	346.7	432.1	91.3	98.8	301.1	124.1	411.0	207.3	124.7	152.5	137.3	142.4

*High and low for year from 1935 to date inclusive are based on weekly figures issued by the Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	15 B.M.	15 W.O.
Dec. 11	279.93	73.13	155.97	74.97
Dec. 9	277.50	72.31	154.64	73.27
Dec. 8	277.58	72.67	153.39	72.65
Dec. 7	276.44	72.69	152.18	71.59
Dec. 6	276.54	73.74	153.09	73.48
Dec. 5	274.48	72.96	151.04	71.25
Month ago ..	284.34	76.35	157.16	81.31
Year ago	200.82	102.41	113.64	58.70
1950 High ...	291.31	105.15	164.25	93.44
1950 Low ...	203.27	69.57	104.35	58.45

Montreal Stock Exchange Index

	10 Util.	20 Ind.	30 Com.	10 Pprs.	15 Golds
Dec. 11 ...	83.1	182.5	149.4	618.72	53.91
Dec. 9 ...	83.0	179.8	147.6	608.47	53.12
Dec. 8 ...	82.9	179.6	147.4	600.38	53.04
Dec. 7 ...	83.1	179.3	147.2	601.21	53.35
Dec. 6 ...	83.2	179.5	147.4	605.67	54.10
Dec. 5 ...	82.8	177.6	146.0	600.26	53.47
Month ago	83.4	184.5	150.8	616.49	57.53
Year ago .	75.3	137.2	116.5	365.25	65.66
1950 High .	86.4	190.7	155.5	655.09	68.87
1950 Low .	74.5	138.0	117.2	355.89	50.97

Dow-Jones Closing Stock Averages

	30 Indust.	20 Rails	15 Util.	65 Stocks
Dec. 11	229.19	74.42	39.37	84.28
Dec. 9	227.30	73.57	39.12	83.53
Dec. 8	226.74	72.50	39.07	83.03
Dec. 7	225.94	70.35	39.25	82.18
Dec. 6	226.16	70.49	39.31	82.29
Dec. 5	225.44	68.82	39.33	81.57
Month ago ..	229.44	67.48	40.79	82.42
Year ago	196.17	50.69	40.59	70.08
1950 High ...	235.47	74.42	44.26	84.80
1950 Low ...	196.81	51.24	37.40	70.34

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Dec. 12, 1950

Public Utility Issues:	Int. Rate %	Due	Bid	Ask.	Prev. Week Bid
▲Alg. Cen. H.B.R.	5	'59	79	82	80
[illegible]					

Unlisted Mines, Oils

(By the Broker-Dealer Assoc. of Ontario)

Approximate quotations, 3.30 p.m., Dec. 11, subject to confirmation and change. An asterisk (*) indicates an increase in price, a dagger (†) a decrease in price.

	Bid	Ask		Bid	Ask
[illegible]					

Investment Trust

	Bid	Ask.
[illegible]		

Market Comment

What stocks and bonds are doing and what prominent observers say

The market continues to give a rather remarkable performance in the face of all the adverse war and economic news. The explanation — an increasing rush into common stocks as a hedge against a fast depreciating dollar. Even price and wage controls—which are only short-term palliatives — can only serve to slow down for the time being the dwindling purchasing power of the dollar, many investors are saying.

They argue that, with huge expenditures on military account ahead, the monetary supply is going to increase at a faster rate than is the supply of available commodities, finished goods and services. Always in such cases the holder of cash or bonds experiences a shrinkage in his real worth and income. By holding something with a fixed dollar value, his ability to purchase goods declines as prices rise. The holder of common stocks on the other hand indirectly is the owner of various assets, including plant, equipment and inventories and these assets advance with rising prices for goods. The application of controls can only artificially restrain the process for the time being. Ultimately prices shoot upward with explosive force with removal of controls. There is no doubt that this is the main reasoning behind today's stock purchasing programs.

* * *

G. S. OSLER: Osler & Hammond (Toronto)

It is impossible to predict what the outcome of this market will be should Canada become involved in another major war, and therefore my comments are based on the assumption that such a catastrophe does not take place.

With peace or war, however, it is almost certain that both this country and the United States are going to spend vast sums in the next few years on defense and armament. This, unfortunately, must mean new and higher taxes. Moreover, commodity prices appear to be going higher and government price controls before long are not unlikely.

Requirements of certain strategic raw materials, such as nickel, copper, zinc and aluminum, for armament production and stock piling in the United States and Canada will necessarily leave fewer supplies of these commodities available for civilian use. Already, nonmilitary consumption of nickel in the United States is to be slashed by 35% and of zinc by 20%, on January 1, 1951. A cut in the civilian use of aluminum has also been announced in the United States. Steel is in short supply and under government control, and some companies are already experiencing difficulties as a result.

These are a few factors that must be considered by the investor today. There is also the likelihood that inflation will continue, in spite of government regulations that might be adopted in an attempt to keep down the cost of living.

Equity holdings in base metals, oil producing companies, newsprint and timber companies with ample timber reserves, offer a hedge against this prospect of further inflation. Many sound industrials are presently selling at four, five and six times earnings and yield from 5% to 9%.

As previously mentioned, however, taxes next year will probably be higher, and if in the form of an Excess Profits Tax, great care will be necessary in determining how each individual company is likely to be affected.

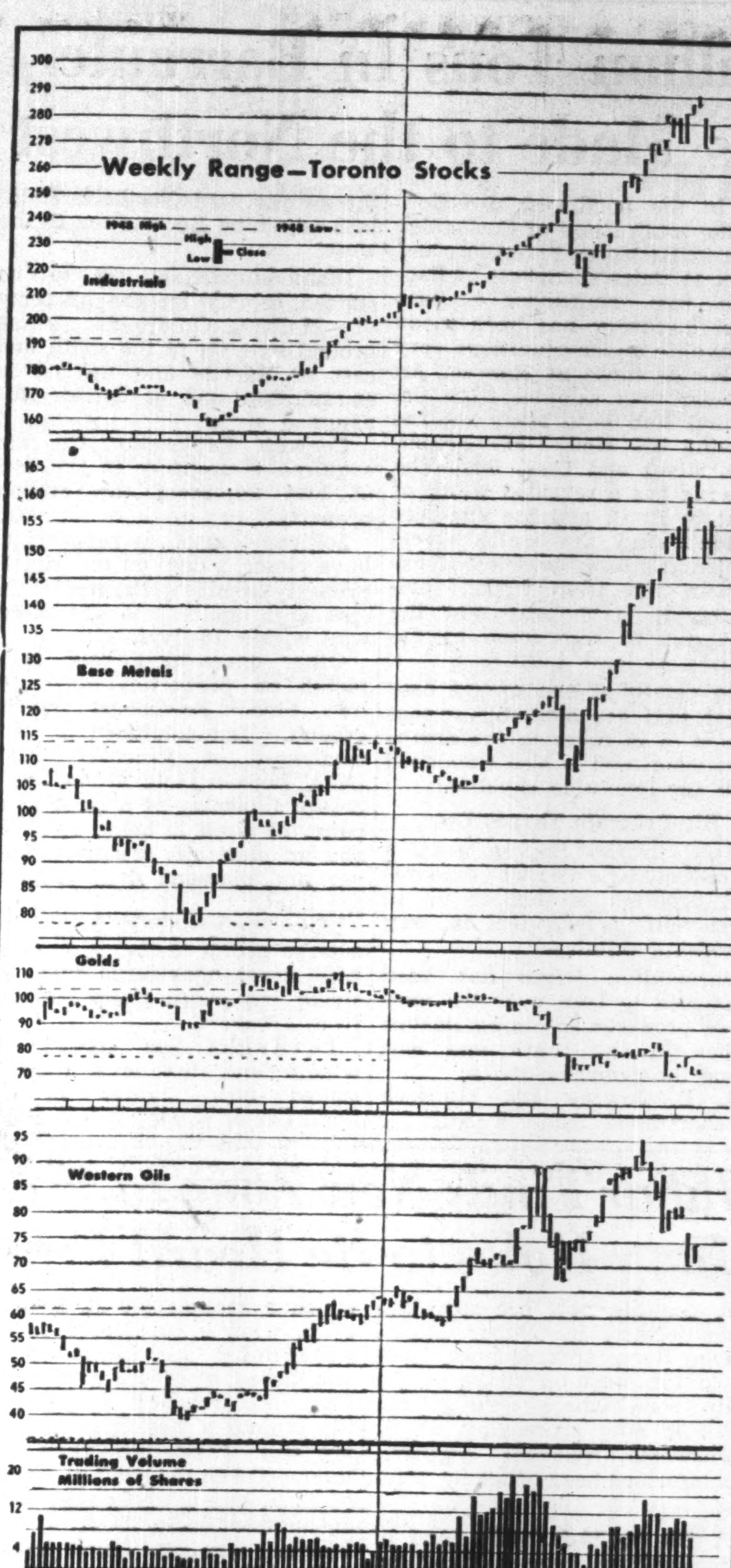
* * *

A. S. WHITE: Hugh Mackay & Co. (Montreal)

The outstanding characteristic of the stock market in recent months has been its ability to withstand sudden adverse and often frightening news. True, there have been sharp breaks but these have been of short duration and have been followed by steady, if sometimes slow, recovery.

The underlying tone is good. There is a great cushion of purchasing power on the part of institutions, including insurance companies and the many open-end investment trusts, and while their buying may not be aggressive it appears when sudden shocks throw the market off balance.

It is difficult to foresee, therefore, any sustained break in stock prices and a policy of long-term holding seems wiser than one of nervous selling. We are, though, swinging into a partial war economy and purchases of individual issues should be made with this in mind, avoiding the shares of companies which will be handicapped by any allocations of commodities and selecting those which produce basic, strategic materials.



Dividends Declared

	This payment $	Date payable	Date of record
Abitibi Pwr. & Pap.	.75	Jan. 1	Dec. 1
Do. pfd.	.37½	Jan. 1	Dec. 1
Acadia At. Sugar A	.25	Jan. 2	Dec. 11
Do. pfd.	1.25	Dec. 15	Nov. 20
Aluminum pfd. ...	.25	Mar. 1	Feb. 7
Amalgamated Elec.	.30	Dec. 18	Nov. 15
Amer. Cyanamid	†1.00+‡.25	Dec. 23	Dec. 1
Anglo-Can. A	§.10	Dec. 27	Dec. 8
Anglo-Huronian ...	.25	Jan. 25	Jan. 3
Anglo-Nfld. Dev. .	▲2.00	Dec. 20	Nov. 27
Argus Corp.	.15	Mar. 1	Jan. 31
Do. pfd.	1.12½	Mar. 1	Jan. 31
Asbestos Corp. .	.40+‡.40	Dec. 21	Dec. 5
J. H. Ashdown A ..	.15	Jan. 1	Dec. 10
Do. B	.60	Jan. 1	Dec. 10
Assoc. Tel. & Tel. pfd. 6% ...	†1.50+▪3.00	Jan. 1	Dec. 1
Atlas Steels	.25	Feb. 1	Jan. 3
Auto Electric	.15	Dec. 15	Nov. 17
Do. A	.12½	Dec. 15	Nov. 17
Auto Fabric A	.15	Jan. 2	Dec. 15
Do. B	.10	Jan. 2	Dec. 15
Bank of N. S.	‡.20	Jan. 2	Nov. 30
Do.	.35	Feb. 1	Dec. 30
Bk. of Toronto	§.20	Jan. 15	Dec. 15
Barber-Ellis	.62½	Dec. 15	Nov. 30
Do.	§2.00	Dec. 20	Nov. 30
Do. pfd.	1.75	Jan. 15	Dec. 30
Barymin Ltd.	.05	Dec. 20	Dec. 1
Beaver Lumber ...	1.00	Feb. 1	Jan. 10
Do. Cl. A	.25	Jan. 2	Dec. 11
Do.	.25	Apr. 2	Mar. 10
Do. pfd.	.35	Jan. 2	Dec. 11
Do.	.35	Apr. 2	Mar. 10
Beatty Bros.	.20	Jan. 2	Dec. 15
Belding-Cort.	1.50+‡1.00	Jan. 2	Nov. 30
Do. pfd.	1.75	Jan. 2	Nov. 30
Belgium Glove ...	.15	Jan. 1	Dec. 15
Do. pfd.	.25	Jan. 1	Dec. 15
Bell Telephone	.50	Jan. 15	Dec. 15
Biltmore Hats .	.10+▲.10	Jan. 15	Dec. 31
Do. A	.25	Jan. 15	Dec. 31
Bird Const.	.50	Dec. 29	Dec. 15
Borden Co.	†1.00	Dec. 20	Dec. 5
Bralorne M.	.10	Jan. 15	Dec. 20
Brant. Roof. A	.25	Feb. 1	Jan. 15
Do.	.25	May 1	Apr. 14
Do.	.25	Aug. 1	July 14
Do.	.25	Nov. 1	Oct. 15
Do. B	.10	Feb. 1	Jan. 15
Brazilian	1.00	Dec. 15	Nov. 10
Do. pfd.	1.50	Jan. 2	Dec. 15
B. A. Bank Note ..	.40	Dec. 15	Dec. 1
B. A. Oil	.25	Jan. 2	Dec. 5
Do. pfd.	.0234375	Jan. 2	Dec. 5
B. C. Elec. 4% pfd.	1.00	Jan. 2	Coup. 15-xc-Dec. 15
Do. 4¾% pfd.	1.18	Jan. 2	Coup. 9-xc-Dec. 15
B. C. Forest	.10	Feb. 1	Coup. 8-xc-31
B. C. Power A	.40	Jan. 15	Dec. 29
B. C. Pulp pf.	▪28.00	Feb. 1	Jan. 15
Br. Mtge. & Tr.	4.00+‡2.00	Jan. 2	Dec. 15
Broulan Porc.	.02	Dec. 21	Dec. 1
Bruck Mills A	.30	Dec. 15	Nov. 15
Do. B	.07½+‡.07½	Dec. 15	Nov. 15
Building Products .	.45	Jan. 2	Dec. 14
Bulolo Gold pfd. ..	3.50	Jan. 29	Dec. 29
Burlington Stl.	.25+‡.25	Jan. 2	Dec. 11
Burrard D.D. A ...	.11	Dec. 15	Nov. 25
Butterfly Hose. ...	.20	Dec. 15	Nov. 15
Can. Bread B	.62½	Jan. 2	Dec. 15
Can. Cement pfd. ..	.32½	Dec. 20	Nov. 17
[illegible]			

Dividends Declared (con'd)

	This payment $	Date payable	Date of record
W. F. Horner, A ...	.12½	Jan. 2	Nov. 23
How. Smith	‡1.00	Dec. 20	Nov. 30
Do.	.50	Jan. 30	Dec. 30
Do. pfd.	.50	Jan. 19	Dec. 30
Hudson B. M.	1.00+‡1.00	Dec. 18	Nov. 17
Hubbard Felt A ...	.75	Jan. 1	Dec. 8
Hunts Ltd. A & B ..	.20	Jan. 3	Dec. 7
Huron & Erie Mtge.	1.25	Jan. 2	Dec. 15
Do. 20% pd.	.25	Jan. 2	Dec. 15
Hydro-Elec. Secs. B	.25	Feb. 1	Dec. 29
Imp. Bank	§.20	Dec. 20	Nov. 20
Imp. Life	3.75	Jan. 2	Dec. 20
Imp. Tobacco	.12½	Dec. 30	Nov. 14
Do. 4% pfd.	.25	Feb. 1	Dec. 19
Ind. Accept. ..	.50+‡1.00	Dec. 30	Nov. 30
Do. 4¼% pfd. ...	1.06¼	Dec. 30	Nov. 30
Do. 5% pfd.	1.25	Dec. 30	Nov. 30
Do. 5% conv. pfd.	.31¼	Dec. 30	Nov. 30
Do. 5% $32 par .	.40	Dec. 30	Nov. 30
John Inglis	.10	Jan. 2	Dec. 15
Inter-City Bak.	.20	Dec. 29	Dec. 15
Do.	.10	Jan. 31	Jan. 17
Int. Bronze	.20	Jan. 15	Dec. 15
Do. pfd.	.37½	Jan. 15	Dec. 15
Int. Coal	.01½	Dec. 15	Dec. 1
Int. Metal A ..	.65+‡.35	Jan. 2	Dec. 15
Do. pfd.	1.12½	Jan. 2	Dec. 15
Int. Nickel ...	†.40+‡.40	Dec. 20	Nov. 20
Do. pfd.	†1.75	Feb. 1	Jan. 2
Int. Paints pfd.	.60	Jan. 16	Dec. 20
Int. Pap.	†.75	Dec. 15	Nov. 24
Do. pfd.	†1.00	Dec. 15	Nov. 24
Inv. Found. pfd. ...	.75	Jan. 15	Dec. 15
Isle Mt. Mines	.05	Dec. 15	Nov. 17
Jam. Pub. Ser.	.25	Jan. 2	Nov. 30
Do. pfd.	1.75	Jan. 2	Nov. 30
Kelvinator	.25	Dec. 20	Dec. 5
Kerr-Addison M. ..	.20	Dec. 28	Nov. 30
John Labatt	.25	Jan. 2	Dec. 15
Lake Shore	.18	Dec. 15	Nov. 15
Lamaque G.	.08	Feb. 1	Dec. 13
J. A. Lang	.25	Jan. 2	Dec. 9
Laprairie Co. pfd. .	1.50	Jan. 2	Dec. 15
Leverage Fund	.03	Dec. 15	Nov. 30
M. Loew's	1.00	Dec. 30	Dec. 15
London Hose. A ...	.20	Jan. 2	Dec. 15
W. M. Lowney	.25	Jan. 15	Dec. 15
Macassa M.	.03	Dec. 15	Nov. 15
Mackinnon S. S. pfd.	1.25	Dec. 15	Nov. 30
H. R. MacMillan A & B	.12½	Dec. 30	Dec. 9
Madsen Red L.	.05+‡.03	Dec. 22	Nov. 22
Mailman Corp.	.25	Jan. 2	Dec. 18
Do. pfd.	1.25	Jan. 31	Jan. 12
M. L. Gardens	.50	Jan. 15	Jan. 2
Maple Leaf Milling	.25	Dec. 15	Nov. 30
Maritime Tel. & Tel.	.20	Jan. 15	Dec. 20
Do. pfd.	.17½	Jan. 15	Dec. 20
Massey-Harris	.50+†3.00	Dec. 15	Nov. 18
L. McBrine pfd.	.50	Jan. 1	Dec. 13
McIntyre M. pfd. .	1.00½	Jan. 2	Nov. 1
Melchers Dist. pfd. .	.30	Dec. 30	Nov. 30
Mersey Pap.	.50	Dec. 15	Dec. 2
[illegible]			

	This payment $	Date payable	Date of record
[illegible]			
Sarnia Bridge .	.10+‡.20	Dec. 15	Nov. 30
Shaw. W. & P. A pf.	.50	Jan. 2	Dec. 2
Do. B pfd.	.56¼	Jan. 2	Dec. 2
Do. com.	‡.25	Dec. 28	Dec. 4
Do. com.	.30	Feb. 23	Jan. 17
Sherwin-Wms.	.25+‡.25	Feb. 1	Jan. 10
Shirriff's Ltd. B ...	.24	Dec. 29	Dec. 11
Sicks Brew. ...	.30+‡.15	Dec. 30	Nov. 30
Sigma M.	.25	Jan. 27	Dec. 28
Silknit	.25	Dec. 15	Dec. 1
Do. pfd	.50	Dec. 15	Dec. 1
Silver Stand. .	*.05+‡.02	Dec. 15	Nov. 25
Silverwood Dair. A	.15	Jan. 2	Nov. 30
Do. B	.10	Jan. 2	Nov. 30
Do. West. pfd. ...	1.25	Jan. 2	Nov. 30
Simpsons Ltd. pfd.	1.12½	Dec. 15	Nov. 15
Sherwin Wms. pfd.	1.75	Jan. 2	Nov. 23
Southam Co.	.25	Dec. 28	Dec. 13
So. Can. Pwr.	.40	Feb. 15	Jan. 19
Stand. Radio A	.10	Jan. 10	Dec. 20
Stedman Bros.	.20	Jan. 2	Dec. 15
Sterling Trusts	1.50	Jan. 2	Dec. 15
Sullivan Cons.	.10	Dec. 16	Nov. 16
Sun Life	5.00	Jan. 1	Dec. 16
Do.	‡10.00	Feb. 15	Jan. 30
Supertest Pet. com. & ord.	2.00	Jan. 15	Dec. 15
Do. 5% pfd.	.74	Jan. 15	Dec. 30
Sylvanite G.	.04	Jan. 2	Nov. 7
G. Tamblyn ..	.25+‡.45	Jan. 2	Dec. 8
[illegible]			

*American funds. †Initial. ‡Extra. ∗On arrears. §Stock div.—3 shs. for each one held. ▲Bonus.

New Highs & Lows

During the week ended Dec. 9, 18 new highs were recorded among the general stocks on Canadian stock exchanges and 16 new lows. In the mining group there were two new highs and 38 new lows. In the western oil group there were one new high and eight new lows.

GENERAL

New Highs—1950

Beaver Lumb. com.
Bird. Constr.
Blue Ribbon com.
Cdn. Gen. Sec. C
Cdn. Industries
Celtic Knitting
Fibre Prod. com.
Freiman com.
Hahn Brass (new)
Intl. Power
Midland Pac. Grain
Price Bros. pfd.
Shaw. Power com.
Shirriff's 5% pref.
Simon & Sons pfd.
Toronto Iron
United Amuse. A
Windsor Hotel

New Lows—1950

Anglo-Can. Tel. pf.
Auto Fabric A
B. C. Turf.
Can. Varn. 5% pfd.
Can. Vinegars
Cdn. Breweries
Fanny Farmer
Ind. Accept. 4¼% pf
Kelvinator
Lowney's
Moore Corp. (new)
Natl. Drug
Oakville Wood
Orange Crush
Stovel Press 5% pf.
Wpg. Electric pfd.

MINING

New Highs—1950

Geneva Lake
Nipissing

New Lows—1950

American Yk.
Belleterre
Buffadison
Campbell R. L.
Chesterville
Coniaurum
Crestaurum
Croinor
East Malartic
Giant Yk.
Great Falls
Hard Rock
Lake Shore
Montauban
Negus
New Jason
New Laquerre
Nicholson
Nocano
North Inca
O'Brien
Ogama Rockland
Omnitrans
Orlac Red Lake
Pamour Porc.
Pato Cons.
Pioneer Gold
Pickle Crow
Privateer
Que. Chibougamau
Royran
Santiaga
Senator Rouyn
Stadacona '44
Starratt Olsen
Teck-Hughes
Westville
Windward Mining

OILS

New Highs—1950

Mid-Continent. Oil

New Lows—1950

Allied Oil
Calvan
Gen. Pet. ord.
Globe
Reef Pet.
Roxana
Selburn Oil
Security Freehold

TOBACCO and TOWELS

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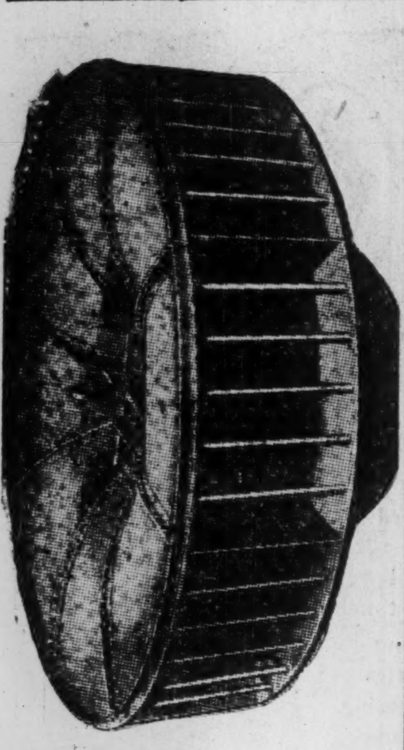

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Barvue Gets Million Tons In Barraute New Discoveries Made to the Northwest

Interest is at fever pitch these days in Quebec's new Barraute base metal camp. Drilling by Golden Manitou on its Barvue Mines discovery property has already outlined approximately a million tons of ore; many deals for ground "close in" have been made; two metal discoveries of possibly some significance have been made miles distant northwest along assumed strike of the big new zone.

Golden Manitou has made a deal to carry Freebert Snow Lake property, through to production, if it stands up, with $50,000 to be supplied immediately through purchase of 250,000 shares at 20c.

Diamond drilling at Barvue Mines is quickly extending a major base metal occurrence which has taken on tonnage characteristics with rapidity.

Drilling at Barvue has now indicated an ore body with a length of 200 ft. deep and with a true width of 117 ft. averaging 0.64 oz. silver and 3.44% zinc.

Last hole to the northwest was the best yet returning a true width of 130 ft. averaging 1.19 oz. silver and 3.28% zinc. Further holes are drilling both to the northeast and southwest to further extend the ore body.

Big Anomaly on Pershcourt

Now that Barvue has demonstrated that the zone has "what it takes" to make a mine, immediate attention is focussed on Pershcourt Goldfields which covers the strike a short distance to the northwest. An electrical resistivity survey is pretty well completed by Geophysical Explorations on Pershcourt ground. Lines were cut at 200-ft. intervals and readings taken every 50 ft. The survey has been conducted from west to east. One large anomaly has been outlined which the survey people feel is important. This will be tested shortly.

A contract has been let for a program of 10,000 ft. of diamond drilling, using two drills. One drill will be moved on to test the anomaly as soon as possible while the second drill will cross-section to pick up the extension of the Barvue shear zone which is known to cross in from Barvue. Pershcourt is stated to have $80,000 in the treasury with options to provide a full $570,000 if options are completely exercised. J. M. Thompson has been appointed resident manager.

Copper In New Showing

The new discoveries to the northwest are brand new and little is known about them as yet. But the limited amount of information available suggests that activity will likely blossom out in the northwest direction. On the south shore of Castagnier Lake in La Morandiere twp., and about 11 miles northwest of Barraute twp. showings, a base metal discovery has been made in rhyolite under conditions very similar to those at Barvue. An engineer took samples from the original find with assay returns showing 5% zinc, 3½% copper, 4 oz. silver and 1½% lead. The showing has a revealed width of eight to 10 ft. and the engineer couldn't find the walls. Overburden is also a factor along extensions but from various evidences, it is thought that the zone can be considered as extending at least 1,000 ft.

No details of the second base metal find are available except that it is 10 miles to the northwest again and is also associated with the favorable rhyolite.

Big Program Shapes Up

Back in the Barvue area, a large-scale general exploration program is shaping up in what mining men feel is very promising country.

Barmanitou Mines has been chartered to take over the very large property adjoining Barvue Mines to the south and east along the projected strike.

S. B. Jowsey and Murdoch Mosher have made a deal for the property of Northern Holdings adjoining Barmanitou to the west.

Diamond drilling is to be started shortly on the property of Malbar Goldfields whose ground extends to the south and east of Barvue and ties on to Barmanitou and is astride the assumed strike.

Conwest Exploration Co. has acquired a property to the east of and adjoining the Malbar property.

Jellicoe Consol. is reported to have closed a deal on the Matico property adjoining Barvue on the east with drilling to get under way within 10 days.

Other deals have been completed on properties northwest of the Pershcourt Barvue ground. Immediately to the northwest of Freebert Snow Lake, Bouzan Gold Mines has a group; financing of a large campaign of work is being finalized and an electrical resistivity survey and diamond drill program are likely.

New Marlon Gold Mines has a large group of claims, possibly 2,000 acres, considered to be on strike, one claim group removed from Freebert.

Interest has spread out widely and the area recently staked now figures in the hundreds of square miles.

Nubar Finds New Zone to West Many Holes to Be Heard From

A possible new ore zone has been located by Nubar Mines, Macho River area, Quebec, 2,600 ft. to the west on strike of the main zone where underground work is now proceeding, D. A. Farnsworth, resident engineer, has informed head office by wireless.

A 20- to 25-ft. wide zone of "highly altered recrystallized and pyritized tuff containing quartz tourmaline veins well mineralized with pyrite" has been intersected. This material is similar to that found in the shaft. Drilling is proceeding to extend this latest zone to the west and it is hoped that an ore body will be developed.

Wait Assays on 15

In the area west of the main section now being tested underground, at least 15 holes have been drilled, but assay results from this drilling will not be available until flying operations resume after freeze-up.

In the shaft area, diamond drilling traced the main zone for a strike length of 1,000 ft. of which a section 600 ft. long by 17 ft. wide is considered by the management as likely to be established as of ore grade. The shaft has reached a depth of 125 ft. and a station is now being cut. The ore zone was intersected in the shaft at a depth of 22 ft. and a whole zone width of approximately 23 ft. of vein material was cut. Muck samples from 569 buckets, or approximately 425 tons, averaged 0.206 oz. gold per ton or $7.20 with gold at $35. This checks closely with 1949 surplus bulk sampling, it is pointed out.

Between the new west showing and the main section under development, the company also has a "high grade zone" whose intersections included the following: 1.11 oz. over 3.3 ft., 0.32 oz. over 1 ft., 2.98 oz. over 0.3 ft., 0.51 oz. over 1.2 ft., 0.45 oz. over 0.5 ft. and 1.18 oz. over 0.8 ft.

Quemont Holes Cut Ore Width Around 110 Ft.

According to an announcement of H. L. Roscoe, president of Quemont Mining Corp., big ore widths have been intersected in two diamond drill holes put out on the 1,440-ft. level of the Quemont mine.

The first hole, a horizontal hole drilled north, for a core length of 129.6 ft. averaged 0.197 oz. gold, 1.27 oz. silver, 1.41% copper and 1.69% zinc.

The second hole, which is also a horizontal hole drilled north and 100 ft. west of the first hole, for a core length of 107.4 ft. averaged 0.226 oz. gold, 0.83 oz. silver, 1.78% copper and 1.23% zinc.

The true width of the ore indicated by these intersections is approximately 110 ft. This ore is located about 750 ft. northeast of the shaft and is vertically underneath one of the ore bodies on the 1,260-ft. level, the results of which were previously reported.

North Canadian Gets Financing

A firm underwriting of $250,000 has been made available to North Canadian Oils by a strong Montreal group following an increase in the authorized capital of the company from three million to five million shares on Nov. 24. In addition, a further $500,000 may be provided under an option on treasury shares.

With additional funds available, the company plans immediate developments of its Central Alberta holdings. A large original spread of holdings exists in the Armena district of Alberta, consisting of approximately 5,000 acres checkerboard and extending over an area in excess of 100 sq. miles.

Recent oil production successes in areas lying both to the north and to the south of this part of the company's holdings have created an active and keen interest in this section. Through a farmout from Imperial Oil, the company has acquired an additional 8,500 acres in the same area, bringing the total held to approximately 13,000 acres.

Under the Imperial farmout, North Canadian agrees to drill two wells, to be located under Imperial's direction. The first well, to commence within 60 days, will be at a point west of the Imperial's first discovery well in this area. In this well, Imperial encountered high gravity oil but, after 90 days of testing, the well was rated non-commercial. The opinion is held that the well was an edge well and that chances are good that commercial production will be found to the west of it.

Application is planned for listing the company's shares on one or more recognized stock exchanges.

Ontario Gold Output Lower

Ounces Up in October But Value Shows a Small Decline

An increase of 3.84% in tons milled and 2.88% in ounces of gold produced was recorded by Ontario gold mines during the month of October, 1950, as compared with a year earlier but dollar value was less, reflecting an "unpegged" Canadian dollar.

For each day of the month, gold mines milled an average of 28,412 tons of ore containing 6,656 oz. of gold, 1,230 oz. of silver. Total daily value of output was $240,743.

Recovery was valued at $7,463,028 in Oct., 1950, of which $3,457,196 was attributed to mines in the Porcupine area and $2,282,451 to mines in the Kirkland Lake-Larder Lake belt.

This compared with October 1949, figures of a total realized output of $7,695,628 of which $3,502,194 came from Porcupine and $2,478,829 came from the Kirkland Lake-Larder Lake belt.

Yale Now In Ore In Three Mines

Work in ore is now proceeding at three different locations at the Ainsworth property of Yale Lead & Zinc Mines, according to advice received by President H. W. Knight from Mine Manager H. D. Forman.

In the Highlander area, where fine ore has previously been opened, a drift carried to the north was moved from the hangingwall to the footwall and continued along a 3-ft. width of quartz and carbonates, with assays averaging 0.6 oz. silver, 1.3% lead and 4.2% zinc in the latest period reported.

In the Albion section, 28.5 ft. of raising done was all in excellent ore. The latest assay was 7.2 oz. silver, 19.0% lead and 5.9% zinc over 5 ft. with equal values expected for the last 28 ft. of the raise.

Five feet of advance on a cross vein at the Black Diamond section gave 13.1 oz. silver, 13.0% lead and 4.0% zinc over 5 ft.

Good progress continues to be made on the 250-ton daily capacity production plant.

Dome to Provide A 500-ton Mill For Mindamar

Announcement is made by John Allen, manager of the Mines division of Mindus Corp. that Dome Exploration (Canada) and Mindamar Metals Corp. have completed financial arrangements whereby Dome will provide up to $1,750,000 to the Mindamar treasury to bring the latter's zinc-lead-copper operation at Sterling, N.S., into production on a 500-ton per day basis.

Under terms of the agreement, Dome will loan Mindamar up to $1,750,000 to be repaid by way of 5% income bonds, which will be retired out of earnings. In return for this loan to Mindamar, Glengowan Mines and Management, Mindamar Metals Corp., Mindus Corp. and associates and Evan T. Donaldson have joined together to give Dome options and sub-options on a total of 1,450,000 shares of Mindamar Metals Corp.

This group has also jointly entered into a voting trust for the option period so that Dome Exploration (Canada) will be in a position to elect a majority of the board of Mindamar Metals Corp. Mindus, through its substantial shareholdings, will be in a position to elect two members to the Mindamar board.

MINING INVESTMENTS

Higher Cost-Aid Pleas To Get Cabinet Airing

Anxiety of the gold mining industry that reduced cost-aid payments in 1951 under the proposed amendment to the Emergency Gold Mining Assistance Act might force some marginal gold mines to close has been tempered somewhat by statements of Mines Minister J. J. McCann, who recently toured gold mines of Northern Ontario and Quebec, and Marc Boyer, his Deputy Minister.

While not promising any definite increase in assistance, Dr. McCann stated that he is sympathetic towards the gold mine operators and is prepared to give consideration to their requests for greater assistance to gold mining. There have been unconfirmed reports that Dr. McCann plans to place before the Cabinet a proposal for increasing the subsidy.

The plight of the gold mines is getting more serious on the cost front day by day. Steel prices have been going up, steel supply is getting more difficult and this week there was a 4.4% advance in cost of explosives.

• • •

Russia & Inco

Despatches from Ottawa which state that Russia wants to pay her debt to International Nickel Co. of Canada in sterling instead of U. S. dollars suggests that the Soviet may be short of U. S. dollars.

The initial indebtedness of Russia for Inco Finnish mines had been reduced from $20 millions (U.S.) to $5,833,250 at the beginning of this year.

Even should International Nickel — and the Federal Government — be willing to accept payment of remaining indebtedness in sterling, it is difficult to see how this payment could be made. Currency regulations in the United Kingdom serve to prevent use of sterling balances in the way Russia proposes.

• • •

Teck May Close

The opinion voiced on the street that Teck-Hughes Gold Mines might close down about next July appears to have been substantially correct from the statement of President D. L. H. Forbes at the company's annual meeting.

"We have decided to concentrate on the extraction of the remaining deep level ore that can be safely mined so that the workings below the 30th level can be abandoned," he said.

This operation is expected to take about six months, by which time increased earnings from Lamaque Gold Mines may compensate for the cessation of operations at the veteran Kirkland Lake mine.

Teck's interest in Lamaque is 80% and this company is expanding its mill by 500 tons to 2,000 tons daily. The enlarged capacity is to be in effect late in 1951.

Deteriorating conditions in gold mining have turned much ore into waste at Teck's Kirkland Lake property.

• • •

Mica to Fore

One of the top strategic materials of World War II — mica — is coming to the fore as the international situation tightens up. Canada made quite a contribution of this mineral in the last war but closed many of her properties after the really high prices vanished.

If all-out war comes, mica, which the U. S. is now buying feverishly in India, will be vitally needed for the electronic eyes, ears and nerves of battle. Mica is indispensable for modern electronic weapons. As an insulator, it keeps high-powered radio, radar, sonar, gun directors, calculators and other types of electrical equipment from flashing out in short circuits.

The United States has always had to go abroad for the special types of mica needed but some progress is reported in turning out synthetic mica. Synthetic mica is now being manufactured in substantial quantities in the U. S.

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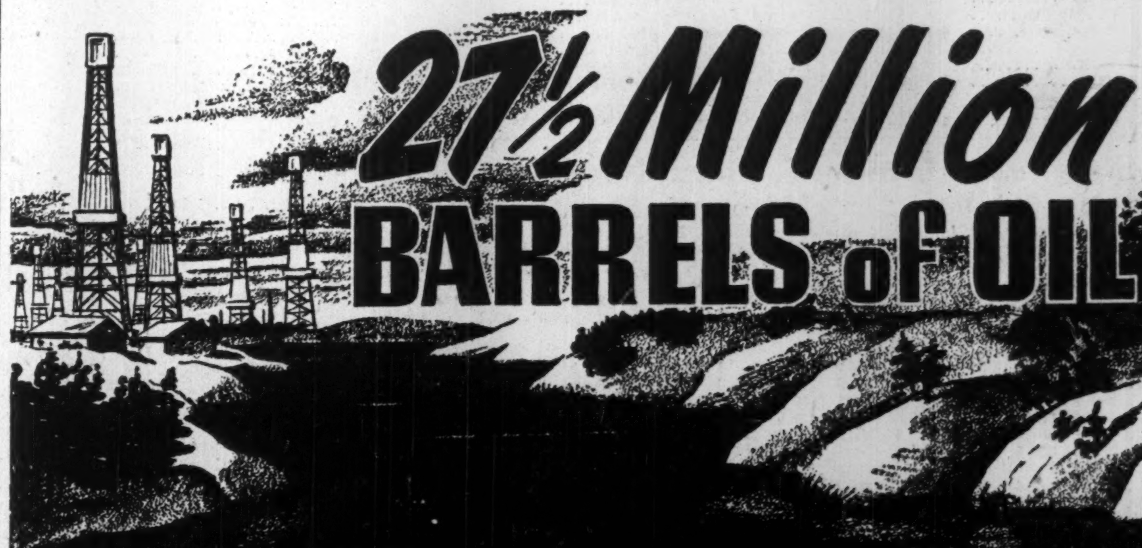

... is a lot of oil by any standard of measure - it would form a sea of thousands of acres - it is more oil than was produced in the whole of Alberta during the year 1949.

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This faith of others together with the success that has rewarded our extensive efforts in exploration and development is a matter of pride and gratitude. It is good to think that Canada is still the land of opportunity where enterprise produces great wealth for a whole country of richly endowed people. Canada's oil is one of the brightest spots in a bright future.

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The Financial Post
SURVEY OF OILS
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Anacon's Profits Seen Jumping Smartly Expect $225,000 a Month Plus in '51

By GORDON M. GRANT

Anacon Lead Mines, which recently has been making one of the most impressive showings of Canadian base metal mines, appears likely to dwarf even present results in 1951 if metal prices hold a current levels.

Operating profit in the first six months of 1950 was $149,313—encouraging but hardly "major." Then in the September quarter, operating net rose to $212,355 or an average of $70,785 a month; a pretty fair showing for what many people consider a medium-sized base metal mine.

But the management feels that by next March, an excellent chance exists of more than tripling the profit level of the September quarter. Plans have been laid for doing just this and there appears to be a splendid chance of reaching the objective.

Operating profits are already bettering the September quarter average: October $165,222 mine output value—estimated $90,000 profit; November $155,536 value—estimated $85,000 profit. November production and profits would have been better except that a large production was subordinated to progress in sinking the new shaft to provide access to the large new better grade "A" ore body.

Starting Dec. 1, milling rate was moved up by the company to 600 tons daily from the 555-ton average for October and the 531-ton figure for November.

Why Increase Expected

Pleasing as these not previously-published results are, they fail to give the clue to the level of operating profits of $225,000 to $250,000 monthly expected by President M. J. Boylen starting in March. Here is why this big increase is anticipated:

In its new better grade "A" ore body, Anacon has the ingredient required for a major stepup in profits without any major increase in current milling facilities.

The new 3-compartment shaft located 2,300 ft. north of the original shaft, to provide access to "A" ore body, has been pressed forward and is expected to reach its objective of 750 ft. before the end of this month. A crosscut is already being put out to "A" ore body at the first level.

It is estimated that about 200 tons a day can be mined out of "A" ore body in January. By Feb. 15, it is expected that ore will be drawn from "A" ore body exclusively and that March will be a full month on "A" body ore.

Mine Still Tax Free

As the company is tax-free until May, 1952, it is obviously in the company's interest to draw ore from the better grade "A" deposit as quickly as possible.

Allowing 10% for dilution, "A" ore body reserves are placed at 640,000 tons averaging 5.39% zinc, 2.04% lead, 4.40 oz. silver and 0.18 oz. gold.

On the basis of present extraction, smelter charges and exchange rate, ore of this grade is expected to yield an operating profit of about $11 a ton. With milling rate expected to be advanced to 650 tons by next March, and mica profits to be added, operating profit of between $225,000 and $250,000 is expected for March.

Big Expenses Finished

As the mica plant, operating since October, is completely paid for and shaft expense is pretty well out of the way, it appears that Anacon profits could build up quite rapidly in 1951 for payment of dividends.

The company is well fixed for ore with over-all reserves estimated at June 30 at 864,763 tons of 5.01% zinc, 1.85% lead, 3.72 oz. silver and 0.013 oz. gold.

To the south on the fifth level, two drill holes have recently "clicked" and it is possible that a new ore body is in the making. There is room for putting out further drill holes at that location and only about 200 ft. of driving will be necessary to get into the ore underground.

"A" ore body is still open to the north and the company's technicians also feel that chances are favorable for location of further ore in it at depth. In sinking the shaft, the ore body was unexpectedly cut with 127 tons of muck averaging about 4½% zinc, better than 1½% lead, 4 oz. silver and the usual gold values. As it was thought the shaft was being sunk some distance from the ore, it indicates a possibility of the "A" ore body proving wider than had been anticipated in surface drilling.

Altogether it looks as if the "A" ore body should be quite an important factor in "ringing the cash register" at Anacon over the next few years at least. Earnings of 60 or 70 cents a share appear possible.

Mindus Profit Moves Higher

Currently at Level of Better Than $300,000 Per Annum

Earnings of Mindus Corp. in 1950 have been at a rate of better than $300,000 per annum with the company enjoying its best year to date, the company announces.

Net income for the 10 months ended Oct. 31, 1950, amounted to $260,543 as compared with a full year 1949 net of $89,229.

While a detailed financial statement is not available, the company reports that current assets as of Oct. 31, 1950, amounted to $802,100 as against current liabilities of $644,496.

Holds 375,000 Mindamar

Mindus holds 375,000 shares of Mindamar directly, plus interests in options.

In addition to Mindamar, Mindus has two other mining operations active: Promistora Gold Mines with a British Columbia gold prospect; and Nortyne Gold Mines which is now diamond drilling in northwest Quebec.

Wilrich Petroleums, in which Mindus has an interest, owns $1 million of the 5% bonds and 40% of the common shares of Excelsior Refineries, and a five-year option to purchase an additional 500,000 shares at $1 a share.

Much of the company's earnings are derived from established industrial operations.

Head of Lakes Iron Test Several Miles

Drilling equipment engaged to carry out diamond drilling for Head of the Lakes Iron Ltd. is now at Port Arthur waiting for suitable weather to fly it in to the property.

Drilling will test out anomalies outlined by gravimetric survey earlier this year. A series of drill sites have been selected along a length of several miles. Previous surveying covered about one-half of the eight-mile iron belt in which shallow drilling indicated a large tonnage. New tests are designed to locate hematite ore bodies, previous intersections of which having been secured.

Nesbitt LaBine Planning Two Shafts at Goldfields

One of the most ambitious mine-making programs undertaken by private capital in the search for uranium-ore bodies is being launched by a newly formed company, Nesbitt LaBine Uranium Mines, sponsored by Gilbert A. LaBine, one of the discoverers of the famous Eldorado mine.

The new company merges two predecessors — Nesbitt Uranium Mines and Eagle Ace Uranium Mines — and on the recommendation of Emil J. Walli, for several years manager at Eldorado, plans two shafts on the new company's properties in the Athabasca area. Each of the shafts is to be extended to 275 ft. with two levels to be opened at 125-ft. intervals.

"Outstanding" Disclosure

On the Nesbitt group where one of the shafts will go down and which adjoins one of Eldorado's main groups to the west, the original discovery was "outstanding," in the words of Mr. Walli who supervised work on the property.

The main showing lies at the junction of two faults and has been traced as far as overburden would permit. The high grade was opened for about 100 ft., extending along the fault junction and to the northeast. The pitchblende occurs with hematite in a chloritic matrix in the highly altered fault zones.

At the fault junction, massive ore occurs across 3½ ft. Generally the exposed pitchblende displays a width of from 8 in. to 1 in. and an average of 4 in. may be taken for the length of the trench. Grab samples of massive specimens assayed from 10% to 32% uranium oxide.

5,000 ft. of Drilling

About 5,000 ft. of diamond drilling was done in this area in 20 holes, the principal result being extension of the main zone to the southwest by about 450 ft. in length. Core recovery was poor, a common experience in drilling pitchblende veins, but core from six holes showed radioactivity and disseminated pitchblende. An attempt was made to test the holes with a diamond drill holes Geiger but only four holes were tested successfully to bottom, caving in the others preventing complete penetration. Holes 8, 12 and 13 showed significant radioactivity for lengths of 3 to 9 ft. of hole.

83 Showings

On the Eagle Ace property, two miles northeast of the Nesbitt group and adjoining another principal property of Eldorado to the north and east, the second shaft is to be sunk. At this group, exploration in 1949 and 1950 resulted in location of 83 radioactive locations over a widespread area. However, the past season's work has indicated a definite fault zone some 1,800 ft. in length striking northeast and along which a series of discoveries were made. Pitchblende was noted in 50 of the 83 finds and no trenching was done on 21 of the showings. Character samples taken from eight showings assayed from 1.3% to 25.65% uranium oxide.

Paralleling the Eagle Lake fault zone is another 500 ft. to the southeast and another about 300 ft. to the northwest. On both of these and in particular on the northwest or Riley fault, where eight discoveries were made, hematite and hematite-pitchblende is showing and more work is planned.

Nineteen trenches in the Eagle Lake fault zone show a total length of 1,372 ft. with six of them showings highly radio-active into heavy overburden. The ore to vein ratio is estimated at 25.55% on surface exposures. The close grouping of the 26 showings in 1,800 ft. present a favorable picture and structural conditions favor persistence to depth.

Consolidation of the two groups — the Nesbitt group of nine claims, 450 acres, and the Eagle Ace group of 18 claims, approximately 950 acres — was a natural development as the two properties were close together and it is possible to operate both properties by a single staff. Each company received 750,000 shares of Nesbitt LaBine Uranium Mines. Work to date has been privately financed with no shares sold to the public. Authorized capital of the new company is four million shares.

"Will Buy Gas, Aid Search" —Saskatchewan Power Corp.

Special Correspondent

REGINA—In a move to encourage development of natural gas fields in Saskatchewan, the Saskatchewan Power Corp. is prepared to negotiate purchase of gas wherever found in the province, providing it is found in sufficient quantity and the wells are reasonably accessible, Hon. J. A. Darling, chairman, has announced.

The Power Corporation will negotiate purchase either at the wellhead or brought out to a central gathering point in the gas field, Mr. Darling said. The gas will be used for power generation or distribution to consumers depending on the proximity of the gas field to populated centres.

The price to be paid cannot be fixed, but it is intended that it will be sufficiently high to be an incentive to the development of producing wells.

At present Saskatchewan Power Corp. operates a generating plant at Unity which uses natural gas as fuel. The consumption of gas for 1949 was 96,486,350 cu. ft. While complete figures are not yet available for 1950 the consumption in January 1950 was 65.5% greater than in January, 1949.

The Department of Natural Resources, at the request of the Power Corporation, is conducting tests in the Lone Rock oil field southeast of Lloydminster to determine the extent of the gas reservoir in that area. The information obtained will be used by the Power Corporation to determine the feasibility of installing a gas-powered generating plant near the gas wells at Lone Rock.

GUELPH SEPARATE SCHOOL BOARD new $120,000 issue 3¼% debentures due Dec. 1, 1951-70 sold to Anderson & Co. and Canadian Bank of Commerce at 98.591, cost basis to board of 3.40%.

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THE FINANCIAL POST
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COMPANY REPORTS

NORTHERN CANADA MINES realized a profit of $15,786 or 1.6 cents a share the year ended Sept. 30, 1950, against 2.3 cents a share a year earlier. Net asset value, representing current assets plus investments at market value less current liabilities, showed a decline to 79 cents a share from $1.08.

While securities held increased $24,317, there was a $272,295 decline in market value of investments.

Highlight of exploration activities during the year was location of a zone of copper-zinc mineralization in southern Kreighoff twp., Que. This was found by joint work with Kirkland Lake Gold Mining Co. The original find showed a length of 80 ft. with widths of 2 to 5 ft. carrying about 1 oz. silver, 1% copper and 6% zinc. Extensions have been picked up along the strike. Westerly, another zone shows chalcopyrite and sphalerite. Further work is planned next season with possibly geophysical work this winter. The company has a 25% interest in two blocks of claims acquired in the Obatagamau Lake and Square Lake areas, Quebec; Calmor Mines and Kirkland Lake Gold hold the remaining interest.

INCOME ACCOUNT

Years Ended Sept. 30:	1950	1949
Net income from int., divds., etc.	$28,480	$34,085
Less: Expenses	12,694	10,984
Surplus for period	15,786	23,101
Earned per Share	$0.016	$0.023
None paid.		
Net Assets per Sh.*	$0.79	$1.08

*Consisting of current assets, plus investments at market value, less current liabilities.

CONDENSED BALANCE SHEET

As at Sept. 30:	1950	1949
Cash	$18,099	$35,990
Accts. & notes rec.	2,446	1,508
Total curr. assets	20,545	37,498
Advs. to employees	2,000	6,390
Invest. less res.*	872,917	848,600
Claims & props.	147,445	141,575
Furn. & equip.	701	646
Total assets	1,043,608	1,034,709
Total curr. liab.	340	110
Explor. reserve	70,000	70,000
Capital stock	500,000	500,000
Distrib. surplus	46,896	54,014
Earned surplus	426,372	410,585
*Market value	768,911	1,041,206
Working capital‡	20,205	37,388

‡Not including investments.

Great Plains Gets Gas at Barrhead

A natural-gas strike and possible oil strike at the top of the Madison have been made in the Barrhead area of Alberta by Great Plains Development Co. of Canada on a farmout obtained from O'Meara Canadian Drilling Co.

Great Plains-O'Meara-Barrhead 4-14, the discovery well, is located in L.S.D. 4, Section 14-58-W5 about 17 miles southwest of Barrhead townsite, about 55 miles northwest of Edmonton.

Returns Oil Cut Mud

Two drill stem tests through a quarter inch choke gave an open gas flow of as much as 2.42 million cu. ft. per day and from 30 ft. to 75 ft. of oil and gas cut mud. There was no water evident on either test.

Schlumberger is being run to a total depth of 3,976.5 ft. and 7-in. casing is to be set to 3,970 ft. It is then planned to jet-shoot the open-hole section and acidize on the basis of diamond core analysis. Further testing of the well's potentialities will then follow.

Great Plains, in return for drilling the well, has earned a 50% undivided interest in 2,400 acres in the easterly part of a nine-section crown lease block comprising the west halves of sections 12, 13 and 24 and in the east halves of sections 9, 16 and 21 and sections 10, 11, 14, 15, 22 and 23 in twp. 58, range five and west of fifth meridian. The company also has a 100% interest in five checkerboard crown reserve quarter sections adjoining the leased block to the east.

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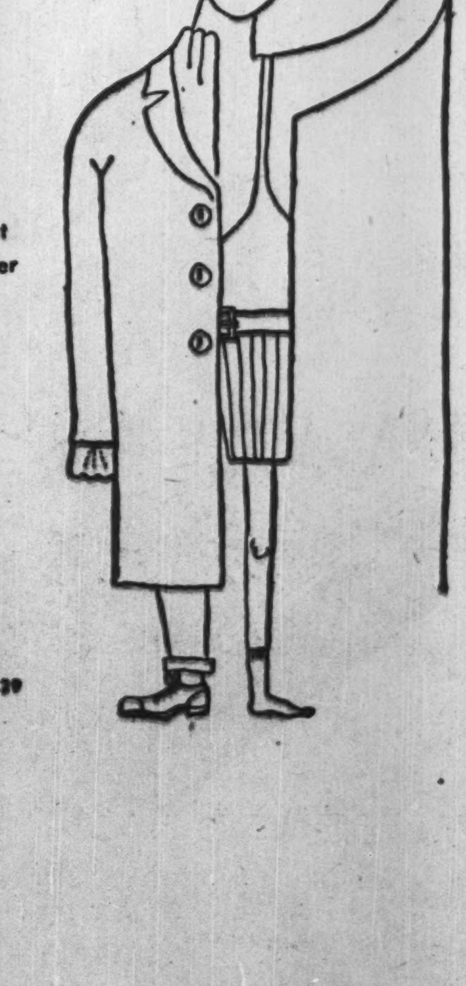

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7. June Geranium Set . . . Bath Salts, Dusting Powder, Soap 6.35.

8. June Geranium Guest Soap . . . 6 cakes in box 2.00.

9. June Geranium Barber Pole . . . 5 cakes Bath Soap 4.25.

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10. Blue Grass Luxury Lace Box . . . Dusting Powder 7.50.

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12. Blue Grass Set . . . Bath Mit, Dusting Powder, Hand Soap and Hand Lotion 5.60.

13. Blue Grass Sachet Pillows . . . 2.75.

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